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May 28, 2021

VIA ELECTRONIC MAIL ONLY

Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Ave.
Trenton, NJ 08625
Board.secretary@bpu.nj.gov

Re: In re the Community Solar Energy Pilot Program Year 2 Application Form and Process – Consolidated Billing EDC Report

BPU Docket No. QO20080556

In re the Community Solar Energy Pilot Program

BPU Docket No. QO18060646

Dear Secretary Camacho-Welch:

On behalf of Jersey Central Power & Light Company ("JCP&L"), Atlantic City Electric Company ("ACE"), Public Service Electric and Gas Company ("PSE&G"), and Rockland Electric Company ("RECO") (collectively, the "EDCs"), attached please find for filing the EDCs' Consolidated Billing Report for the billing of Community Solar Subscriber Fees.

Consistent with the Board's March 19, 2020 Order in Docket No. EO20030254, the attached is being provided by electronic mail only. No physical copies will follow. Please kindly confirm your receipt and acceptance of the attached for filing by electronic mail at your earliest convenience.

Very truly yours,

Joshua R. Eckert
Counsel for Jersey Central Power & Light Company
On Behalf of JCP&L, ACE, PSE&G and RECO

cc: Service List

In re the Community Solar Energy Pilot Program Year 2 Application Form and Process – Consolidated Billing Report, BPU Docket No. QO20080556

In re the Community Solar Energy Pilot Program
BPU Docket No. QO18060646
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CONSOLIDATED BILLING REPORT

MAY 28, 2021

PREPARED BY:

ATLANTIC CITY ELECTRIC COMPANY

JERSEY CENTRAL POWER & LIGHT COMPANY

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

ROCKLAND ELECTRIC COMPANY

CONSOLIDATED BILLING REPORT

Introduction

This Consolidated Billing Report ("Report") was compiled by the four regulated, investor-owned electric public utilities in the State of New Jersey,[1] also known as the electric distribution companies ("EDCs"). The EDCs prepared this Report pursuant to the directives of the New Jersey Board of Public Utilities ("Board" or "BPU"). This Report was informed by an open and transparent process including stakeholder feedback and engagement. The EDCs are pleased to present this Report to the Board and look forward to further collaboration with the Board and stakeholders on consolidated billing issues.

I. Background and Procedural History

Pursuant to the Clean Energy Act of 2018, the New Jersey legislature directed the Board to adopt:

> *[R]ules and regulations establishing a "Community Solar Energy Pilot Program" to permit customers of an electric public utility to participate in a solar energy project that is remotely located from their properties but is within their electric public utility service territory to allow for a credit to the customer's utility bill equal to the electricity generated that is attributed to the customer's participation in the solar energy project."*[2]

The Board adopted implementing rules and regulations for the Community Solar Energy Pilot Program ("Pilot Program") on February 19, 2019.[3] The rules provide the Board's framework for the development and implementation of community solar through the first three years of the Pilot Program. On March 29, 2019, the Board approved and released the Program Year 1 ("PY1")

1 Atlantic City Electric Company ("ACE"), Jersey Central Power & Light Company ("JCP&L"), Public Service Electric and Gas Company ("PSE&G"), and Rockland Electric Company ("RECO").

2 P.L.2018, c.17.

3 The Pilot Program rules are set forth in N.J.A.C. 14:8-9 *et seq*.

Application Form. The Application Period opened on April 9, 2019 and closed on September 9, 2019. The Board reviewed the Community Solar applications and on December 20, 2019 granted conditional approvals to 45 community solar projects.

On July 9, 2020, the Board issued a request for comments regarding lessons learned from PY1. A stakeholder meeting was held on July 27, 2020, and written comments were received by August 10, 2020. As discussed further below, this process informed the Board Staff recommendations on Program Year 2 ("PY2") and this Report. PY2 applications were submitted by February 5, 2020 and are under review by the Board.

A. Board Orders

In a series of three Orders discussed below, the Board directed the EDCs to consider a "consolidated billing" program and prepare a report for submission to the Board.

1. ***I/M/O the Community Solar Energy Pilot Program and I/M/O Community Solar Energy Pilot Program Year 2 Application Form and Process*, Docket Nos. QO18060646 and QO20080556, Order dated October 2, 2020 ("October 2 Order").**

Informed by stakeholder feedback on PY1 and Staff's recommendations, the Board issued the October 2 Order approving the form and process for PY2. As discussed in the October 2 Order, certain stakeholders advocated for an "opt out" mechanism for subscriber enrollment for PY2. As the October 2 Order explains, "[t]hey further noted that the 'opt-out' model would be better implemented with consolidated billing." *Id.* at 5. The Order also stated that "Staff strongly agree[d] with those stakeholders that stated that consolidated billing is a pre-requisite to further discussion of an 'opt-out' model." *Id.*[4] "Staff therefore recommend[ed] that the Board direct the EDCs to work with Staff to implement consolidated billing for community solar, building upon the existing consolidated billing mechanisms employed for Third Party Suppliers when relevant." *Id.* Based on Staff's recommendation, the Board directed the EDCs "to work with Staff to develop options to implement consolidated billing for community solar, and include considerations of what is currently done by other state affiliates." *Id.* at 6. The Board ordered "[t]he EDCs [to] present actionable recommendations for consolidated billing implementation in a report to the Board, no later than February 26, 2021." *Id.*

2. *I/M/O the Community Solar Energy Pilot Program and I/M/O Community Solar Energy Pilot Program Year 2 Application Form and Process – Motion for Reconsideration*, Docket Nos. QO18060646 and QO20080556, Order dated January 7, 2021 ("January 7 Order").

Gabel Associates ("Gabel") timely moved for reconsideration of the October 2 Order. Among other things, Gabel contended that "the Board has erred by focusing on 'Third Party Supplier (TPS)' consolidated billing rather than on 'BGS [Basic Generation Supply] consolidated billing.'" *Id.* at 4. "Staff clarifie[d] that it was not intending to limit the discussion or mandate a particular outcome." *Id.* In the January 7 Order, the Board clarified its direction to the EDCs to work with Staff to develop options for implementing consolidated billing in the Pilot Program. *Id.* at 6. The Board then directed "the EDCs to consider multiple options for the implementation of consolidated billing for community solar and to incorporate a robust stakeholder process." *Id.*

[4] See the January 15, 2021 Comments of Electric Distribution Companies on Community Solar Energy Pilot Program Rules - Proposed Amendments: N.J.A.C. 14:8-9.2, 9.4, and 9.8. (BPU Docket Number: QX20090594)

3. ***I/M/O the Community Solar Energy Pilot Program and I/M/O Community Solar Energy Pilot Program Year 2 Application Form and Process – Consolidated Billing EDC Report*, Docket Nos. QO18060646 and QO20080556, Order dated March 24, 2021 ("March 24 Order").**

In the March 24 Order, the Board further directed the EDCs "to provide a complete and comprehensive report with options and actionable recommendations for consolidated billing implementation no later than May 28, 2021." *Id. at 3.* The Board acknowledged that Staff and the EDCs issued a joint notice for a stakeholder meeting and written comments. *Id.* The Board also restated "the importance of conducting a robust stakeholder process and incorporating stakeholder feedback into the report." *Id.*

B. **<u>Stakeholder Process</u>**

Consistent with the January 7 Order, the Board issued a Request for Comments and Stakeholder Meeting Notice dated March 11, 2021 in Docket No. QO18060646 ("Notice"). On March 25, 2021, the EDCs and Board Staff jointly hosted the virtual Stakeholder Meeting and received oral comments from a number of stakeholders. Written comments were also accepted from stakeholders through April 9, 2021. Fifteen (15) entities[5] filed written comments in response to the Notice and eighteen (18) entities spoke at the Stakeholder Meeting. The written comments, as well as the transcript of the Stakeholder meeting, are attached hereto as Appendices 1 and 2.[6] Many of the commenters responded to the specific questions posed in the Notice. Commenters generally supported consolidated billing of community solar subscription fees as a means to

[5] Ampion, City of Hoboken, Evergreen Energy Solutions ("Evergreen Energy"), Hansen Technologies, Highland Park, New Brunswick NAACP, Nexamp, New Jersey Division of Rate Counsel ("Rate Counsel"), New Jersey Resources Clean Energy Ventures (NJRCEV), National Resources Defense Council ("NRDC'), NRG Energy, Inc. (NRG), Solar Energy Industries Association ("SEIA")/ Coalition for Community Solar Access ("CCSA")/ New Jersey Solar Energy Coalition ("NJSEC"), Solar Landscape, Sustainable Princeton, and Vote Solar.

[6] Consistent with the March 24 Order, in preparation of this Report, the EDCs have reviewed and considered the comments received.

increase access to and participation in community solar, especially for low-to moderate-income customers. A summary of comments is included throughout this document, based on the particular topic addressed.

II. **<u>Alternative Approaches for Consolidated Billing</u>**

In the current Pilot Program, Subscriber Organizations[7] bill their subscribers directly for their subscription fee(s), and advise the EDCs as to the percentage share of the community solar project's generation allocated to each subscriber to enable the EDC to calculate the subscriber's bill credit.[8] The EDCs in turn issue the standard utility bill to their customers for electric delivery and commodity charges which amount is reduced by the subscriber/customer's community solar credit. In this arrangement, the EDC and the Subscriber Organization are each responsible for their own receivables and for collecting its charge(s) from the participating customer(s). This practice is referred to as "dual billing."

> Stakeholder Comment - Power Market commented that consolidated billing is not the challenge to enrolling customers – it is the customer experience and education on the value proposition of community solar. Nexamp is focused on customer experience and stated that if consolidated billing is not properly developed, it can be a detriment. The process to develop consolidated billing is as important as the framework itself.

In its October 2 Order, Board Staff recommended that the Board direct the EDCs "to work with Staff to implement consolidated billing for community solar, building upon the existing consolidated billing mechanisms for Third Party Suppliers when relevant." In the January 7 Order, the Board clarified its direction to require "the EDCs to work with Staff to develop options to

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[7] Undefined, capitalized terms used in this Report shall have the meaning set forth in the Pilot Program rules unless the context clearly indicates otherwise.
[8] As will be discussed below, the future transfer of bill credit information from Subscriber Organization to EDC must be in accordance with existing and future data transfer security protocols.

implement consolidated billing for community solar."[9] The January 7 Order plainly states that the EDCs were not limited to one consolidated billing option. Rather, the Board directed "the EDCs to consider multiple options for the implementation of consolidated billing for community solar and to incorporate a robust stakeholder process."[10]

To this end, when considering alternative approaches for billing community solar charges, there appear to be two options. Subscriber Organizations will have the option to: (1) continue to issue their own bills for their charges through the dual billing approach; or (2) enroll a specific project in a consolidated billing regime to be approved by the Board.

> Stakeholder Comments: Eleven entities recommended that the EDCs serve as the billing parties. SEIA/CCSA/NJSEC recommend that consolidated billing be optional. Nexamp identified what it sees as the advantages and disadvantages of Utility Consolidated Billing ("UCB") – the customer will receive one bill and simplify the process for developers who do not have billing experience. However, the subscriber organization is unable to communicate directly with subscribers through this model. Nexamp also stated that the benefits to dual billing are that the subscriber organization can control the customer experience without the complexity of consolidating other charges, billing may be simpler, and the bill design and other communications may establish trust between the subscriber and the subscriber organization. NRG supports the enablement of Third-Party Supplier Customer Billing ("TPS CB"). Five entities suggest that the Board adopt a "Basic Generation Service ("BGS") model" or "BGS-style Consolidated Billing," which those entities generally defined as "the payment protocol employed when a customer is receiving BGS, whereby the payment by the EDC to the BGS Supplier(s) is completely separate from, and is not dependent upon, payment by the retail customer for BGS service." (See Evergreen Energy, page 2).

As noted above, multiple parties suggested that the Board adopt a BGS-style Consolidated Billing model. For the sake of clarity, the EDCs observe that although BGS consolidated billing does not exist, the reference appears to be to Utility Consolidated Billing ("UCB"). In the context of community solar, whether the EDC payment to the Subscriber Organization is dependent on the

[9] January 7 Order at p. 6.
[10] Id. at p. 6.

Subscriber's payment of its EDC bill depends on the timely cost recovery of the community solar credit and the method chosen to implement UCB of Subscription Fees. The EDCs' proposal (as outlined in Section V below) discusses in more detail payments to Subscriber Organizations, risk of receivables, and drop to dual billing.

It should be noted, however, that the EDCs are not supportive of and would oppose a consolidated billing model that would have the Subscriber Organization or other third party perform the consolidated billing function. In this model, generally referred to "TPS consolidated billing" ("TPS CB") or "supplier consolidated billing" in the retail choice process, the EDC's charges would be included on a consolidated bill issued by the Subscriber Organization or another third-party entity. If such a model was implemented, multiple entities could offer consolidated billing in each EDC service territory, dramatically increasing the complexity of the billing process in New Jersey. For that reason alone, the TPS CB methodology is presently not used (nor are the detailed business rules or data transfer protocols developed or approved) for electric retail choice in New Jersey. TPS CB has been approved and implemented (or are in the process of being implemented) in only a handful of jurisdictions across the country for retail choice programs.[11] The implementation of TPS CB presents numerous process and policy complexities, including those related to the following areas:

- Billing accuracy requirements;
- Customer service responsibilities and requirements;
- Disconnect for non-payment policy and procedure;

[11] These jurisdictions include Texas, Illinois, and most recently, Maryland.

- TPS creditworthiness (as they bill for the EDC and might be required to assume the EDC's receivable);
- Data transfer protocols;
- Complexities of a combination electric and gas utility with multiple TPSs for electric and gas;
- Customer eligibility;
- Deposits;
- Requirements for content in customer contracts;
- Purchase of Receivables rules;
- New Jersey Administrative Code requirements related to consumer protections, billing, marketing and advertising;
- Continued EDC obligation and costs to retain its billing system and increased cost to integrate with multiple TPSs; and
- Cost recovery for EDC development and implementation; EDCs will be required to build billing functionality to both support community solar developers who choose to utilize utility consolidated billing, while also building processes and interfaces to support TPS CB with multiple entities.

Due to these complexities, TPS CB would take considerable time and effort to implement in New Jersey. As an example, in Maryland,[12] it recently took more than a year to develop the rules related to TPS CB, and it will likely take an additional two years to implement those rules.

[12] See Maryland Public Service Commission Order No. 89116, Case No. 9461, May 6, 2019. The affiliated EDCs that operate in Maryland are Potomac Electric Power Company (ACE affiliate), Delmarva Power & Light Company (ACE affiliate), and Potomac Edison Company (JCP&L affiliate).

As such, the EDCs' proposal calls for the adoption of UCB for community solar, as it aligns with the interests of the majority of the stakeholders, will enable a process to be readily developed and implemented with existing EDC consolidated billing systems and framework (lessening time and expense), and it adds less complexity to a solar process and program that is still early in its lifecycle.

III. Electric Distribution Companies' Affiliate Experience in other Jurisdictions[13]

Pursuant to the October 2 Order, the EDCs were to consider the experiences of affiliates in other jurisdictions that have offered consolidated billing for community solar. Only RECO and ACE each have affiliates in other jurisdictions that have implemented, or are in the process of implementing, consolidated billing for community solar projects. In both of those jurisdictions, the EDC will offer, or plans to offer, a voluntary form of UCB. This information is provided as examples of programs in other jurisdictions. The EDCs' recommendation can be found in Section V below. Only one commenter, SEIA/CCSA/NJSEC, identified models in jurisdictions other than New York. Virginia is starting an optional net crediting approach, and Pennsylvania is contemplating legislation that provides the option for net crediting between customers/subscribers and utilities/EDCs.[14]

> Stakeholder Comments: Five entities commented on the consolidated billing model currently utilized in New York. Ampion, SEIA/CCSA/NJSEC, Hansen Technologies, Nexamp, and Rate Counsel identify New York as a jurisdiction currently using consolidated billing for community solar. Ampion highlighted the consolidated billing approach adopted by New York, favoring utility consolidated billing over the provision of consolidated billing by a third party. Ampion suggests that UCB will simplify the operational steps required to execute the program and increase the pool of potential project subscribers.

[13] PSE&G and JCP&L did not participate in the drafting of Section III and take no position with respect thereto.
[14] SEIA/CCSA/NJSEC supports the intent of ensuring that customers do not incur a net cost for participation in community solar.

The New York Net Crediting Program

RECO's affiliate, Orange and Rockland Utilities, Inc. ("O&R"), is in the process of implementing the Net Crediting model for billing of community solar subscription fees in New York. The following discussion is a summary of the Net Crediting Program and some of its benefits. O&R anticipates that its Net Crediting Program will be available to Community Distributed Generation ("CDG") Sponsors[15] in the second quarter of 2021.

In its Consolidated Billing Order,[16] the New York State Public Service Commission ("NYPSC") required the New York EDCs to implement the net crediting model for CDG projects. Under this model, subscribers receive a credit on their electric utility bill for the net amount of their CDG credit and CDG Subscription Fee. CDG Subscribers are guaranteed savings each month from their participation in a CDG project under the net crediting model. In addition, the NYPSC found that "this method is simpler administratively and reduces risks for both CDG Sponsors and the Joint Utilities as compared to other models" and "avoids putting the utility in the position of collecting a higher charge than it would have applied to the customer by guaranteeing savings to the customer."[17] Moreover, "because the net crediting model guarantees the bill will decrease as a result of CDG membership, it will benefit both the member and the utility by lowering the chance of underpayment or nonpayment."[18] The Commission also stated that the net crediting model "will facilitate the inclusion of low-income customers in the CDG program and ensure that participating low-income customers will benefit."[19]

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[15] A CDG Sponsor is similar to a Subscriber Organization in New Jersey.
[16] 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) ("Consolidated Billing Order")
[17] Consolidated Billing Order, p. 13.
[18] Consolidated Billing Order, p. 16.
[19] Consolidated Billing Order, p. 16.

Participation by CDG Sponsors in the Net Crediting Program is optional. CDG Sponsors may choose to enroll an individual CDG project in the program. To participate, the CDG Sponsor must enter into the *Community Distributed Generation Net Crediting Agreement* with O&R which covers the terms of participation in the Net Crediting Program and the CDG Sponsor payments.

1. New York Net Crediting Program Definitions

Applied Credit – Equal to the portion of the Total Available Credit that offsets the eligible charges on a CDG Subscriber's electric service bill each billing period.

Allocated Credit - The CDG credit allocated by the CDG Sponsor for its net hourly injected energy during the CDG Sponsor's billing period to a CDG Subscriber.

CDG Subscription Fee – The amount of the Applied Credit withheld from the CDG Subscriber's electric monthly bill, representing the amount owed to the CDG Sponsor by the CDG Subscriber.

CDG Savings Rate – The percentage of the CDG credit that will be retained by the CDG Subscriber and applied to the subscriber's electric bill.

Total Available Credit – Equal to the sum of the Allocated Credit, Sponsor Bank Allocated Credit (if any) and any remaining CDG credit carried over from the preceding billing month.

Utility Administrative Fee – The amount of the monthly CDG project's credits that the Utility will retain; in New York, calculated as 1 percent of the Applied credit.

Excluded Anchor Customer - A non-mass market Utility electric customer that enters into a contract to participate as an enrolled Subscriber in the CDG Project that the CDG Sponsor identifies as being excluded from the Net Crediting Program.

2. *Overview and Applicable Rates*

Under the Net Crediting Program, all subscribers to a participating CDG project (excluding one potential Anchor Subscriber discussed below) will receive a net credit on their utility bill. The CDG Sponsor will provide one Savings Rate to O&R which is the percentage of the Applied Credit that will be retained by the subscriber (*i.e.,* the Net Credit) and applied to the subscriber's electric bill. The Savings Rate must be a minimum of five percent so that the subscriber is guaranteed savings every month. The Savings Rate may be changed once every six months. The difference between the Applied Credit less the Net Credit is the CDG Subscription Fee remitted to the CDG Sponsor by O&R on behalf of the Subscriber.

A Utility Administrative Fee of one percent of the Applied Credit is withheld from the Subscription Fees remitted to the CDG Sponsor. This fee will offset the capital and operating costs incurred by O&R to implement and operate the Net Crediting Program. This percentage was established by the NYPSC in the Net Crediting Order. After the program is implemented, a utility may seek a different percentage based on actual costs and recovery if the one percent fee is insufficient to offset actual costs.

CDG Sponsors may unenroll a CDG project from the Net Crediting program and cannot re-enroll the project for twelve months. This will avoid projects from switching back and forth frequently, which would cause subscriber confusion and lead to an increased administrative burden on the EDCs and may result in billing and payment errors.

3. Data Exchange

The CDG Sponsor provides O&R with the list of subscribers, the allocation percentages, one Savings Rate for the entire project, and an Anchor Subscriber, if applicable. This information is provided on an excel spreadsheet and is uploaded to O&R's interconnection online application portal, PowerClerk, which is the same portal used by CDG Sponsors and developers to upload their interconnection application and documentation and CDG Allocation Forms (which include subscriber account numbers and allocation percentages). Electronic Data Interchange ("EDI") is not used by any utility in New York to transmit this data; however, the EDI Working Group filed a report on its potential use and stated that "while EDI does provide certain benefits, including standardization, evaluating the changes necessary to the current EDI environment to accommodate CDG should be considered a longer term solution."[20]

4. ***Net Crediting Example***

When a CDG Subscriber is billed, the EDC shall apply a net credit to the CDG Subscriber's electric charges equal to the Applied Credit less the CDG Subscription Fee. For example, a CDG Subscriber has a Total Available Credit of $100. The CDG Subscriber's electric bill charges are $90. The Applied Credit is $90 and $10 is carried over to the CDG Subscriber's subsequent billing period. Using a Savings Rate of five percent, the net credit applied to the Subscriber's bill is $4.50. The CDG Subscription Fee is $85.50 (*i.e*., $90 x (1-.05) = $85.50).

The Utility Administrative Fee is equal to the Applied Credit multiplied by one percent. Using the prior example, the Utility Administrative Fee is $0.90 *(i.e*., $90 Applied Credit multiplied by the one percent Utility Administrative Fee). O&R will remit $84.60 *(i.e.,* $85.50 CDG Subscription Fee less $.90 Utility Administrative Fee) to the CDG Sponsor.

[20] Consolidated Billing Proceeding, New York EDI Working Group Report (filed July 1, 2020), p. 2.

5. Payments to CDG Sponsor

On a monthly basis, O&R will remit the CDG Subscription Fees to the CDG Sponsor on behalf of the CDG Subscribers. The payment to the CDG Sponsor will include all CDG Subscription Fees net of the Utility Administrative Fees that were withheld from CDG Subscribers that billed during the CDG Sponsor's current billing cycle. Payments to the Sponsor will be made via the automated clearing house ("ACH") and within 30 days from the CDG Sponsor account's cycle billing date.

6. Excluded Anchor Subscriber

A CDG Sponsor may exclude one large, anchor subscriber *(i.e.,* one account number) from the Net Crediting Program. This Anchor Subscriber would receive its full Applied Credit on its electric bill. The CDG Sponsor can have a separate agreement with this subscriber with different terms for the amount and payment of the Subscription Fee.

7. Data Reporting to CDG Sponsors

On a monthly basis, O&R provides each CDG Sponsor with a subscriber-level detailed report that reflects the subscriber's account number, bill group and current bill date, service classification, billed kWh usage, allocation percentage, CDG credit applied, and excess carryover of CDG credit to the current bill period and the excess carryover to the subsequent bill period, among other information. This report will also include the net credit applied to the subscriber's electric bill, the subscription fee withheld, and Utility Administrative Fee.

8. Recovery of CDG Credit

O&R recovers the amount of the Applied Credits from customers on a full and timely basis using NYPSC approved methodologies. The implementation of the Net Crediting Program does not impact the amount or timing of credit recovery.

Illinois Community Solar and Consolidated Billing Proposal

ACE's utility affiliate, Commonwealth Edison Company ("ComEd") is an electric distribution company serving portions of Illinois. Illinois established a community solar program in 2017.[21] As of May 1, 2021, ComEd had over 28 community solar projects in its service territory with more than 7,500 subscribing distribution customers. Fifty additional projects are in various stages of construction at this time in the ComEd service territory. In Illinois, the EDC receives project generation and subscriber allocation data from each community solar project. The EDC then applies the subscriber's generation allocation to their monthly electric bill via monetary bill credits. Subscribers who elect to receive supply service from the utility receive the utility's supply rate for their community solar bill credits. If a subscriber elects to receive supply service from an alternative retail electric supplier ("ARES"), the EDC sends the subscriber's generation allocation information to the ARES for compensation.

ComEd sought approval from the Illinois Commerce Commission ("ICC") for utility provided consolidated billing for community solar that would be established on an optional basis for subscribing organizations. This proposal was referred to as a "Community Supply Billing and Remittance Service" whereby ComEd would include subscriber fees in addition to the subscriber's

[21] Illinois Public Act 99-0906 (Future Energy Jobs Act ("FEJA")) was signed into law December 7, 2016 and became effective June 1, 2017. FEJA introduced new and amendatory provisions across the Illinois Public Utilities Act (PUA), Illinois Power Agency ("IPA") Act, and other Illinois statutes. The most relevant to the present matter are FEJA's net metering amendments (Section 16-107.5 of the PUA) which established the Community Solar/ Supply ("CS") Program in Illinois

credits on a ComEd bill. ComEd proposed to remit the collected fees to the subscribing organization net of a utility fee for the consolidated billing service via a non-service account.[22] ComEd's billing system has been modified to support this form of consolidated billing, but the ICC did not approve ComEd's initial proposal.

Rather, the ICC has directed ComEd to continue discussions with community solar developers and subscribing organizations including consideration of whether a "net crediting" option would be provided.[23] Per the ICC's order, ComEd has continued these discussions with developers and subscribing organizations.

1. Data Exchange Requirements

ComEd has built an electronic portal in which subscribing organizations provide required information, including subscriber account number, meter number, and subscription allocation. The optional consolidated billing services would require the Community Solar developer/subscription organizations to provide additional data to ComEd via the portal and would include the community supply subscription charge. The subscribing organization would be able to update its subscription charges through the portal.

2. Bill Format and Payment Processing

ComEd's proposal would have established a new line item on the consolidated bill. The new line item would be designated as the "Community Supply Subscription Charge" to be applied to subscriber bills. The charge would have appeared under the Miscellaneous Charges section of the bill, as shows in the attached mock bill (see Appendix 3). ComEd proposed to transfer these

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[22] ComEd's proposed fee for consolidated billing was set at $0.67 per kW per month.
[23] ICC Docket 19-1121, September 23, 2020

payments less the fees due to ComEd at such time, on the subscribing organization's next normally scheduled non-service account billing date. In performing the service, ComEd would not have purchased the subscribing organization's receivables and would not be obligated to collect unpaid balances, bill termination or cancellation fees, take credit action, or disconnect delivery service to a retail customer that owes overdue monies to a project but not to ComEd.

3. Cost Recovery

ComEd's consolidated billing proposal was to include all service costs as well as all service revenues in the revenue requirement within its delivery service formula rate. ComEd's expectation was that community solar project enrollment in its proposed services would lead to revenues exceeding costs, thereby creating value for all ComEd customers in addition to the value provided by a more simplified, streamlined, transparent billing experience.

4. *Current Status*

At this time, ComEd's refiling of a community solar consolidated billing proposal is undetermined. No other Illinois utilities have submitted community solar consolidated billing proposals to the ICC.

IV. EDC Recommendation: Utility Consolidated Billing

In the event that the Board approves implementation of a consolidated billing program, the EDCs recommend the UCB model. This recommendation, as previously discussed, is consistent with the majority of stakeholders' comments.

The EDCs recommend UCB as the best path forward for a number of reasons. The EDCs are in the best position to develop and offer this billing program as compared to any other potential billing entity. Each EDC maintains a robust billing system developed over many years to handle consolidated billing for customers purchasing their electricity supply through BGS or via a third-party supplier. Collectively, the EDCs issue millions of consolidated electric bills each month. These bills include monthly account fees, distribution, transmission, and generation charges, applicable surcharges, and taxes. The EDC billing systems track and maintain a record of all issued electric bills and their payment status. Each EDC has also established the back-office capability to prepare and issue bills; quickly and efficiently process payments; and properly track and account for customer payments. If TPS CB is approved by the Board, the EDCs will continue to maintain their current billing and related systems in order to collect and store meter reading data, calculate all electricity-related charges, and bill those customers that do not participate in community solar.

If UCB is approved by the Board, the EDCs will prepare and issue a single monthly electricity bill to community solar subscribers within each respective EDC service territory. The community solar consolidated utility bill would include the following items: the community solar subscriber fee, the community solar billing credit, and delivery and energy supply charges. Each EDC would transmit monthly the community solar subscriber fees to the Subscriber Organization, as long as the EDC is allowed to recover the full community solar credit on a timely basis.

Each EDC customer has direct experience with receipt and payment of EDC monthly bills. Customers typically know the name of their EDC and when the EDC bill is issued and received each month. Many customers have established an electronic billing method with the EDC to smoothly manage monthly payments while other customers prefer to make payments in person. Several EDCs offer in-person payment options, with the ability to speak directly with customer representatives, and obtain information about customer assistance programs, which could be beneficial to low-to-moderate income ("LMI") customers participating in community solar. On the other hand, a third-party community solar consolidated billing entity would have to build these systems and services from the ground up.

The EDCs are responsible for following all of the termination for non-payment rules established by the Board. A third party that bills and collects payments on behalf of an EDC would need to coordinate closely with the EDC so that customers who are late in payments are offered the safeguards afforded them by the law and regulations. This process would be further subject to the Board's regulatory oversight.

A third-party consolidated billing entity would need to be financially sound and provide assurances to the Board and satisfactory collateral to the EDCs to insure that the EDC will receive the monies due to it in the event of the third party's bankruptcy or financial distress. Full and timely payment to the EDC is critical to the safe and reliable operation of the electric distribution system. This process would require careful regulatory oversight from the Board.

The BPU's regulatory oversight of the utility billing process helps to ensure that EDC billing is performed appropriately, accurately and in the best interest of the public. The BPU has numerous regulations governing the customer billing process, as well as critical customer protection standards to which the regulated EDCs must adhere. Included among those regulations are provisions for customer billing dispute resolution and the utility customer bill of rights. Many of these same regulations are incorporated into the EDCs' tariffs. Third-party billing entities are not currently held to these same standards and it is unclear whether the BPU would have the same level of jurisdiction over them. Ultimately, if the Board ultimately selects TPS CB, additional legislation and further agency rulemaking and licensing of such billing entities may be necessary to protect consumers and the public interest.

Moreover, the EDCs recognize that the BPU's regulation of customer billing is in the public interest and has been of great importance during the on-going public health emergency. During this extraordinary time, the EDCs have worked together with the Board to protect customers. Termination moratoriums have been extended, first voluntarily and then by executive order. Deferred payment agreements have been extended to customers through the regulated utilities, in coordination with the Board's directives. It is doubtful that third-party entities could have responded as quickly and efficiently to the emergency as the regulated utilities.

The EDCs continue to offer social programs for customers needing assistance with their bills. During restructuring,[24] the Board acknowledged that these social programs should remain with the EDCs, because they are a vital part of the safety net for customers. Consolidated billing can increase opportunities for LMI customer participation in community solar and when administered by the EDCs, can become part of the suite of programs available to assist such customers.

V. Electric Distribution Company Proposal for Community Solar Consolidated Billing

A. Eligibility and Participation

Enrollment by the Subscriber Organization in consolidated billing for community solar projects should be voluntary and available to all projects, both those already in operation and new projects. Each Subscriber Organization may elect to enroll a particular community solar project in UCB. Once enrolled, every subscriber in that project will be billed via UCB. In order to enroll in consolidated billing, the Subscriber Organization or other authorized entity must enter into a

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[24] *Restructuring the Electric Power Industry in New Jersey*, Findings and Recommendations, BPU Docket. No. EX94120585Y (April 30, 1997) at 141.

consolidated billing agreement with the billing EDC which will cover the terms, conditions, and requirements, including cybersecurity standards, of participation in consolidated billing. Execution of a consolidated billing agreement would be similar to the agreement currently in place between third-party suppliers and the EDCs for billing related to electric retail access.

Prior to commencement of consolidated billing for an enrolled project, the Subscriber Organization must provide all required documentation to the EDC, including but not limited to Subscriber Organization, project name, and contact information; an initial Subscriber Allocation List; and banking information and other documentation required for the payment of Subscription Fees. Timelines (*e.g.,* 60 days prior to the start of consolidated billing for the enrolled project) for submittal of all documentation needed by the EDC to enroll a project in consolidated billing, calculate community solar credits, and bill monthly subscription fees must be established prior to commencement of a consolidated billing program.

Rules must be established for the transition to consolidated billing for projects that currently are operating and sending bills for subscription fees. The Subscriber Organization must be solely responsible for all outstanding subscription fees prior to the transition to UCB, *i.e.,* the EDCs cannot be responsible for the Subscriber Organization's existing accounts receivables.

Subscriber Organizations may unenroll a project from UCB for any reason but must provide adequate prior notice to the EDC. A Subscriber Organization may re-enroll a project in UCB with twelve months' notice. This will prevent projects from switching back and forth frequently, which would cause Subscriber confusion, lead to an increased administrative burden on the EDCs, and may result in billing and payment errors. All subscription fees due to a Subscriber Organization during the time it is unenrolled from consolidated billing are the billing responsibility of the Subscriber Organization.

As consolidated billing is a voluntary program, the timelines established currently for EDC billing of community solar credits (*e.g.*, providing subscriber lists 30 days prior to the effective date) should be the same as those for projects that enroll in consolidated billing of community solar. Consistency between rules and calculations is critical to minimize customer confusion and reduce the EDC and Subscriber Organization's administrative burdens and potential for error.

Stakeholder Roles

There are four categories of stakeholders that are directly impacted by use of consolidated billing for community solar projects: Subscriber Organizations, EDCs, Subscribers, and the Board. This discussion provides a high-level overview of some of the roles and responsibilities of each category. The details of these roles and responsibilities will need to be worked out prior to implementation of a consolidated billing program.

<u>Subscriber Organization</u>:

The Subscriber Organization will continue to be responsible for the outreach, communication, and entering into contracts with the Subscribers, which will include an explanation of consolidated billing if applicable. The Subscriber Organization will provide, pursuant to the established timelines and processes, all of the project and Subscriber information required by the EDC for billing, including customer account number, allocation percentage and any changes thereto, and information required by the EDC to administer credits and consolidated billing. In addition, the Subscriber Organization will provide all required documentation to enroll in consolidated billing, such as the Consolidated Billing Agreement and any documentation required for an EDC to make payments to the Subscriber Organization.

The Subscriber Organization will continue to be solely responsible for the determination of LMI status of a subscriber. The Subscriber Organization will also be responsible for handling subscriber inquiries and complaints regarding the project, such as the Subscriber's allocation percentage and the subscription fee. The Subscriber Organization will be responsible for resolving all disputes regarding its subscriber fees. If the Subscriber Organization receives a subscription fee directly from the Subscriber once enrolled in consolidated billing, in error, the Subscriber Organization shall return such payment to the Subscriber.

Electric Distribution Company:

The EDC will be responsible for reflecting community solar credits and subscription fees on Subscriber electric utility bills in accordance with receipt of the required Subscriber information from the Subscriber Organization within the established timeframes. The EDC will remit the payment of subscription fees to the Subscriber Organization in accordance with established procedures on a predetermined timeframe (*e.g.*, monthly) and within a commercially reasonable timeframe.

The EDC will be responsible for resolving customer inquiries related only to the EDC's charges. In the case of customer inquiries to the EDC related to the community solar project or Subscriber Organization, the EDC will provide customers the Subscriber Organization's contact information.

The EDC will provide information regarding the credits applied to Subscribers' EDC bills and payments to the Subscriber Organization, on an agreed upon timeframe, format, and data transfer mechanism.

Subscriber:

A Subscriber can enter into a contract with a Subscriber Organization to receive community solar credits on its electric utility bill and to pay a subscription fee for those credits via its electric utility bill. By entering into a contract with a Subscriber Organization that is enrolled in consolidated billing, the Subscriber agrees that the EDC will remit the subscription fee to the Subscriber Organization on the customer's behalf. Subscribers are responsible for payment of all charges on their EDC bills, inclusive of Subscription Fees. A Subscriber that wishes to end its participation in a community solar project must contact the Subscriber Organization, which in turn will notify the EDC.

New Jersey Board of Public Utilities:

The Board will establish a consolidated billing program for community solar and will develop rules applicable to the Community Solar Energy Program (post-Pilot). Similar to the Pilot Program, such rules should include consumer protections and a requirement for Subscriber Organizations to (at a minimum) register with the Board. The EDCs recommend that the Board require Subscriber Organizations to obtain licenses (in addition to registering), such as was required of Clean Power Marketers.

The Board and its Staff can monitor Subscriber Organizations, resolve conflicts between Subscriber Organizations and Subscribers, and host stakeholder conferences and / or working groups.

Community Solar Credits & Subscriber Organization Fees

Under the existing Community Solar Pilot PY 1 methodology, the EDC applies a credit to the Subscriber's EDC bill. The Subscriber Organization allocates a percentage of the solar project's generation to each Subscriber each month. The allocated generation is multiplied by the applicable credit rate to arrive at the Allocated Credit. The amount of the Allocated Credit applied to the Subscriber's bill, referred to as the Applied Credit, is limited by the amount of the Subscriber's eligible electric bill charges for the billing period. (The amount of the eligible electric bill charges is referred to as the Initial Bill Amount.) The amount due after the Applied Credit is reflected on the Subscriber's bill is the Final Billed Amount. If the Allocated Credit is greater than the Applied Credit (or in the case of an EDC that uses a kWh credit methodology, if the allocated kWh are greater than the applied kWh), the excess is carried forward to the following month ("Carryover") and added to that month's total Allocated Credit to be used in determining the Applied Credit. The implementation of consolidated billing will not change the underlying credit calculation to derive the Allocated Credit.

> Stakeholder Comments: In its comments, Nexamp raised several issues with the New York net crediting consolidated billing model. These issues include an inability to differentiate discounts between subscribers and a significant lag in payments from the utility to the subscriber organization. Rate Counsel describes the approach of consolidated billing in New York and points to New York as an example of why not all ratepayers should cover program costs.
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> Nine entities commented that guaranteed savings should be part of a consolidated billing program. Some provide additional details on their recommendation, particularly for LMI participants. Ampion, as a subscriber organization, considers guaranteed savings as part of its value proposition. Ampion states that the credits subscribers acquire through it will be worth more than what the subscriber pays. This guarantees a subscriber savings on a net basis after subscribers receive bill credits on their utility bill. Highland Park also states that it is appropriate for projects using consolidated billing to guarantee savings for its subscribers. City of Hoboken states a community solar project must guarantee savings to their subscribers, given that EDCs provide payment to solar providers regardless of customer payment status. Evergreen Energy generally supports programs that guarantee savings to customers and identifies this as a key premise of New York's consolidated billing approach. SEIA/CCSA/NJSEC also support net savings and point to the five percent guaranteed savings in New York as an example. Nexamp supports guaranteed savings and contends that savings for LMI participants should be a more than nominal amount. Similarly, Vote Solar states that guaranteed monthly savings can be challenging due to seasonal changes in generation, but believes guaranteed savings should be strongly considered for LMI participants if coupled with increased incentives to serve these customers. Solar Landscape offers guaranteed savings on all of its contracts today, with greater savings and/or additional financial incentives for LMI customers.

> SEIA/CCSA/NJSEC recommends the ability to differentiate offerings among the subscribers to a particular project. Solar Landscape recommends that LMI subscribers receive a greater discount than non-LMI subscribers. Nexamp states that consolidated billing should be designed to accommodate a diversity of CS offerings and discounts, not limit options. Power Market supports no limits on the ability to opt out subscribers from consolidated billing as well as flexibility to offer multiple discount rates. Neighborhood Sun Benefit Corp. also supports different rates.

The proposed UCB process consists of two possible methods of incorporating the Subscriber Organization's Fee in the EDCs' bill and/or billing calculation. The two methods are: (1) a Net Crediting Methodology (*i.e.*, the Subscription Fee is netted from the Applied Credit resulting in a net credit amount reflected on the EDC bill); or (2) a Separate Line Item on the invoice for the Subscriber's fee ("Fee"). Each EDC would select the method to implement so that the community solar consolidated billing process can align with the EDC's consolidated billing processes used with TPSs and/or used in other jurisdictions, thereby minimizing implementation timelines and required systems costs. The following are descriptions of each methodology.

1. <u>Net Crediting Methodology</u>: Similar to the model implemented in New York, this methodology would require the Subscriber Organization to provide the EDC with a percentage of savings ("Savings Rate") to be applied to the Applied Credit to derive the Net Credit. This model will result in guaranteed savings to the Subscriber each month (*i.e.*, the Final Billed Amount will be less than the Initial Billed Amount). The Savings Rate provided should be a whole number (*e.g.,* 5 percent is acceptable, 5.5 percent is not) and must be a minimum of one percent. The EDCs will implement a higher minimum savings rate, if so directed by the Board (including a separate rate for LMI customers). The Subscriber Organization will be required to provide the EDCs the Savings Rate for each Subscriber. Though the Savings Rate need not be the same for all Subscribers associated with a specific project, the EDCs may require that the Savings Rate be fixed

for a minimum period of time. The amount related to any annual residual Carryover will be calculated by the EDC and presented as a separate line item on the Subscriber's EDC bill; it will not be included in the netting calculation.

The following example illustrates the derivation of the Final Billed Amount and the amount that the EDC will remit to the Subscriber Organization, under the Net Crediting Methodology:

	Initial Billed Amount
less	Net Credit (*i.e.*, Applied Credit x Savings Rate)
equals	Final Amount Billed ($)

Amount EDC remits to the Subscriber Organization: Applied Credit x (1-Savings Rate).

Separate Line Item: This methodology requires the Subscriber Organization to provide the EDC with a Fee (in dollars) to include on the EDC's bill to the Subscriber, which the EDC will subsequently remit back to the Subscriber Organization after the Subscriber is billed. Under this method, the total billed amount is reflective of both the community solar credit and the subscription fee. In terms of specifics, the Subscriber Organization will be required to provide the EDC with the Fee (in whole dollars) each month for each Subscriber. Though such Fee need not be the same for all Subscribers associated with a specific project, the EDCs may require that the Fee be fixed for each Subscriber for a minimum period of time. Additionally, at the EDCs' discretion, if a Subscriber Organization uses the Separate Line Item option, the EDC may return the Subscriber to Dual Billing (*i.e.*, the Subscriber Organization bills its Fees to the Subscriber directly) in the event of non-payment consistent with the requirements and rules for Third Party Supplier customers. Finally, if a Subscriber is disconnected for non-payment by the EDC for more than 30 days, the EDC will not be required to include a Subscriber Fee on its bill, nor assume the receivable for the same, for any Fees presented by the Subscriber Organization after such time. Further, if a Subscriber's account is rendered inactive by the EDC, the Subscriber will be dropped from community solar.

The following example illustrates the differences across the three options proposed to be available to a Subscriber Organization (issuance of a separate bill by the Subscriber Organization, Net Crediting, and Separate Line item):

Example: *Subscriber bill (Initial Billed Amount) of $100 (includes only charges that can be offset by community solar credit). Available Allocated Credit (Total Community solar credit that is available to be applied to the Subscriber's bill) is $120. Total Applied Credit (Available Allocated Credit limited/applied to the Subscriber's bill) is $100 (higher of eligible charges on customer bill or Available Allocated Credit).*

Savings Rate: *5%*

Subscription Fee: *$95*

Values	*Dual Bill*	*Net Crediting*	*Separate Line Item*
Total Available Allocated Credit	*$120*	*$120*	*$120*
Initial Billed Amount	*$100*	*$100*	*$100*
Applied Credit applied to EDC bill	*$100*	*$5*	*$100*
Subscription Fee separately listed on EDC bill	*$0*	*$0*	*$95*
Amount Subscriber pays directly to Subscriber Organization	*$95*	*$0*	*$0*
Final Billed Amount (on EDC bill to Subscriber)	*$0*	*$95*	*$95*
Amount EDC pays to Subscriber Organization	*$0*	*$95*	*$95*
Amount of Community Solar Credit recoverable by EDC that month	*$100*	*$100*	*$100*

Data Exchange Requirements

> Stakeholder Comments: Five entities commented on data transfer between customers, service providers/ subscriber organizations, and utilities in a consolidated billing program. All five entities acknowledge the importance of protecting customer data and maintaining data privacy. Ampion pointed out the benefit of utility consolidated billing in that it leverages the existing data protections in utility systems.
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> The commenters' thoughts on the best approach for data transfer vary. Ampion, Nexamp, NJRCEV, and Hansen Technologies suggest that an EDI is an appropriate option, although Nexamp recommends an Application Programing Interface ("API") as the ideal option. SEIA/CCSA/NJSEC recommend API and caution that although EDI is a possibility, other options that could be less costly to developers should be considered. All commenters consider standardization of the data transfer process important. SEIA/CCSA/NJSEC recommend that the Board create a standard template that all utilities and Subscriber Organizations use to exchange data, and specifically list the types of data to be transferred. Evergreen Energy suggests that high initial EDI development costs could lead to a prohibitive unit cost per customer and therefore recommends EDI implementation not be mandatory.

At the initiation of UCB, the EDCs may continue to use the data transfer mechanisms that are currently in use for the Community Solar projects, or a modified mechanism that will be communicated to Subscriber Organizations. Subsequent to the initiation of consolidated billing, should an EDC(s) elect to migrate from the current data exchange methodologies to a standardized electronic data transfer methodology (which can include EDI or another method), the EDC(s) will develop the proposed data exchange protocols, develop a plan for transition to the same, and will share the specifics with the appropriate working group.

The current data transfer processes and protocols will be updated to include information necessary to administer UCB and will include the following high-level requirements. Each EDC will document and publish the specifics related to their current methodologies and will highlight any modifications being made to incorporate consolidated billing in the same.

i. At least 30 days prior to the Host billing date, the Subscriber Organization will provide the EDC with the information required by each EDC to enroll a Subscriber and calculate the monthly community solar credit and related Subscription Fee (the latter type of information will be driven by whether the fee is netted or separately stated). This information (which must consider PII restrictions and protections) may include, but is not limited to, the following:

- Customer name;
- Customer service address;
- EDC account number;
- Meter number;
- Indication if the Subscriber is a LMI customer;
- Allocated percentage (of host solar system generation);
- Indication of whether the Subscriber is a new enrollment for the Subscriber Organization; and
- Required consolidated billing information (Savings Rate or Fee).

ii. If a Subscriber was on the previous month's enrollment list, but is omitted from the current month's list, the EDC will assume the Subscriber is no longer enrolled with the Subscriber Organization and will not include Community Solar related credits or charges (with the exception of an annual cash out) on the Subscriber's EDC bill for the month(s).

iii. If a Subscriber's EDC account becomes inactive, the EDC will advise the Subscriber Organization. The EDC will cease to include a Subscriber Organization's charges on its bill after a final EDC bill to the Subscriber is issued.

iv. The EDC will provide subscriber-level information to the Subscriber Organization to support the payment of Subscription Fees by the EDC to the Subscriber Organization. This information will include the accounts that were billed and the dollar amount to be remitted from the EDC to the Subscriber Organization. This information is in addition to other subscriber level information related to the community solar credit provided by the EDC to the Subscriber Organization.

v. The EDC will make payments to the Subscriber Organization monthly and may do so via ACH or wire transfer (at the EDC's discretion).

Treatment of Disputed Charges and Receivables of Subscriber Organizations prior to implementation of Consolidated Billing

The Subscriber Organization will be solely responsible for the receivables related to all Fees it billed to Subscribers prior to a Subscriber's enrollment in consolidated billing. The treatment of receivables from Subscribers participating in consolidated billing is discussed in Section VI, Cost Recovery and Timing of Implementation, below.

> Stakeholder Comments: Six entities commented on the concept of purchasing receivables with respect to a consolidated billing program. All entities believe the billing party, either the utility or a third party, should purchase receivables in some manner. Hansen Technologies recommends a UCB program in which the utility purchases the receivables of the subscriber organization. NRDC states that under UCB, the utility purchases the debt that a community solar provider expects to recover from subscribers – the utility is then responsible for collection from subscribers to the community solar project. SEIA/CCSA/NJSEC are also in support of a purchase of receivables program and point out that this structure removes the risk of non-payment for subscriber organizations. NJRCEV supports a UCB program in conjunction with a purchase of receivables program and points to the past success of BGS transactions in New Jersey for more than 20 years.
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> Subscriber non-payment, the purchase of receivables, and dropping a subscriber to dual billing are closely related topics. Rate Counsel states that the Subscriber Organization should bear the risk of non-payment of subscription fees. Solar Landscape recommends that these costs be socialized among the EDC's entire customer base. Power Market states that the net credit model will decrease the risk of non-payment and a benefit of this model is that subscribers are not dropped from consolidated billing for non-payment.

> SEIA/CCSA/NJSEC supports a purchase of receivables program and state that this structure removes the risk of non-payment of subscription fees for subscriber organizations. The City of Hoboken states that UCB should be similar to features of the BGS billing model in that utility makes regular payments to the BGS providers regardless of whether or when customers pay their bills. This will limit the risk of impacting the community solar provider's cash flow and, consequently, project success. Hansen Technologies addresses nonpayment and asserts that customers should not be dropped from a consolidated billing program for late payment. Four other parties also state that subscribers should not be dropped from consolidated billing for late payment.

The EDCs will only be responsible for the receivables related to a Subscriber Organization's Fees after the inclusion of the same on the EDCs' bill, and only if such Fees are undisputed by the Subscriber. Should a Subscriber dispute a Subscriber Organization's Fee after the EDC has rendered payment of the Fee to the Subscriber Organization, the Subscriber Organization will be solely responsible to resolve the dispute. The EDC will reserve the right to reduce the disputed amount from the next payment due to the Subscriber Organization. The EDC will remit such disputed Fee back to the Subscriber Organization after the Subscriber Organization provides evidence to the EDC that the dispute with the Subscriber has been resolved.

Bill Format

Currently without UCB, a community solar credit is reflected on a subscriber's EDC bill as a separate line item. In addition, each EDC provides credit calculation details and may include Subscriber Organization, community solar project name, and contact information on the subscriber's bill. Variation as to what information is provided on the subscriber's bill by each EDC are due to each EDC's current bill format and billing system capabilities.

The impact to the EDC bill, including for the presentation of the community solar credit and Subscription Fee (*e.g.,* whether netted or separately stated), will be determined by the consolidated billing program that is implemented. Implementation of a net crediting model will result in a community solar net credit reflected as a separate line item on the subscriber's EDC bill. The Savings Rate and calculation of the net credit will also be included on the bill. Implementation of a separate line item model will result in the Subscription Fee reflected as a separate line item on the subscriber's bill.

> Stakeholder Comments: Nexamp proposes that a subscriber's specific environmental impact be included on the EDC bill, including the number of equivalent trees that have been planted.
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> Other commenters, such as SEIA/CCSA/NJSEC and Neighborhood Sun Benefit Corp., recommend that credits, charges, and other information (such as the community solar provider/project, a detailed accounting of any community solar subscription information, and a clear and precise accounting of bill credits) regarding a community solar subscription should be clearly marked and accessible on a subscriber's bill. Nexamp states that community solar cannot be relegated to a simple line item on the utility bill. SEIA/CCSA/NJSEC also note that consolidated bills must provide community solar subscribers with (1) a clear and precise accounting of the net community solar bill credits to both the subscriber and the Subscriber Organization; (2) specific information describing where (community solar provider/project) and when their credits were generated; (3) a detailed accounting of any administrative fees charged by the Utility; and (4) purchase of receivables.

The EDCs recognize that some stakeholders favor a myriad of community solar information be included on the subscriber's utility bill, some of which goes beyond that needed for consolidated billing. While information such as environmental benefits may be helpful to subscribers, the placement of this information on a utility bill depends on many factors, such as the remaining space on the current bill and the mechanism to transfer and receive this data. Further, this type of information may be better communicated by the Subscriber Organization who can respond to questions and provide additional information on the environmental benefits. Other recommended information, such as a detailed accounting of administrative fees charged by the utility, does not appear to be appropriate for a subscriber's utility bill.

The extent to which any proposed changes can be included is dependent on each EDC's current bill format as well as the EDC's billing system capabilities. The addition of any bill format changes must be weighed against the cost to implement, potential customer confusion, and increased calls to the EDC's call center. Subscriber Organizations will receive subscriber-level details of the credit, Subscription Fee, and associated amounts. Each EDC will offer the Subscriber Organization an opportunity to include text on subscribers' bills, the specifics of which will be determined by each EDC's bill format and bill presentment capabilities. Initially, Subscriber Organizations may provide the EDC with standardized text for inclusion on every Subscriber's utility bill. Each EDC will provide guidelines regarding the text that can be included on its bills (*e.g.*, number and type of characters). If and when the EDCs implement a standardized electronic data transfer methodology (see Data Exchange Requirements section), the EDCs will consider modifications to this process.

The EDCs propose that Staff host a working group, which would allow stakeholders to discuss these issues and collaborate on near-term and longer-term solutions.

Working Group

> Stakeholder Comments: Rate Counsel recommends establishment of a working group to develop protocols to protect customer data. SEIA/CCSA/NJSEC supports continuation of a robust stakeholder process to vet consolidated billing options and ensure that any option is viable, as well as establishment of a billing and crediting workgroup to discuss EDC's communication tools, reporting requirements and timelines, bill credit accuracy, and other issues.

The EDCs recommend that the BPU establish a community solar consolidated billing working group at the time the BPU issues an order directing the EDCs to establish community solar consolidated billing. The working group would be comprised of representatives of community solar developers, subscribing organizations, the EDCs, and other interested parties to inform the details required to implement the consolidated billing methodologies approved in the order. Some examples of the details to be discussed in the working group include frequency of savings rate changes, bill format, enrollment, and payment timeframes. The EDCs recommend convening the working group within 60 days of the BPU community solar consolidated billing order to ensure timely implementation.

VI. Cost Recovery and Timing for Implementation

The estimated schedule for each utility to implement consolidated billing will be different for each EDC and will depend on various factors, including, but not limited to, the method chosen for consolidated billing and the requirements of the specific EDC's billing system. Until the consolidated billing programs rules are developed, the EDCs are unable to provide an estimate of their implementation timeframes.

The EDCs anticipate that the implementation of consolidated billing will require the EDCs to make significant investments in their respective billing systems. In accordance with the Clean Energy Act,[25] each EDC will file a petition to recover these costs and related costs in the near future.[26]

> Stakeholder Comments: Nine entities commented on the structure of administrative fees and/ or the cost recovery methodology for costs pertaining to consolidated billing program administration. Six entities support an administrative fee be paid by Subscriber Organizations and point to fee caps in some cases. The other three entities recommend that the administrative costs of a consolidated billing program be recovered from all ratepayers.
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> Ampion notes the Utility Administrative Fee collection in New York's net crediting program is currently set at one percent. SEIA/CCSA/NJSEC also points to a one percent limit, citing the programs and proposals in New York, Virginia, and Pennsylvania. Nexamp supports a reasonable utility fee, which should not exceed one percent of bill credit value. Evergreen Energy contends that neither solar providers, nor subscription organizations should be charged a fee for use of a utility billing service and recommends recovery of administrative costs through existing utility cost recovery mechanisms. Similarly, Highland Park believes administrative costs should be recovered from all ratepayers like other customer collectible and clean energy costs. As stated earlier, Rate

[25] "Subject to review by the board, an electric public utility shall be entitled to full and timely recovery for all costs incurred in implementation and compliance with this section." N.J.S.A. 48:3-87.11(e).

[26] The Board may choose to require Subscriber Organizations utilizing consolidated billing to pay fees to help mitigate the costs to customers associated with these billing investments; however, consistent with the CEA, the EDCs must receive full and timely recovery of any remaining costs through an annually reconcilable non-bypassable surcharge.

Counsel argues that the recent experience in New York supports a program design which does not call for contributions from all New Jersey ratepayers.

Treatment of Subscriber Fees

Additionally, as a result of consolidated billing, the Board will need to consider the treatment of subscriber fees as receivables. Initially, the EDC's implementation of consolidated billing (and the successful implementation of Community Solar, generally) relies on a vital underlying assumption: that the EDCs will be permitted to recover the full value of the Community Solar Credit through an annually reconcilable non-bypassable surcharge. The EDCs will be proposing, on or before June 1, 2021, cost recovery mechanisms which include recovery of the full amount of the Community Solar Credit, in accordance with the CEA language cited above.[27] The treatment of subscriber fees as receivables ultimately depends on the method implemented by the EDC for UCB.

Net Credit - Under a net credit approach with guaranteed savings, the subscriber fees are automatically applied against the Community Solar Credit that would have otherwise been provided to the customer. The EDC then uses the withheld portion of the credit to pay the Subscriber Organization the subscriber fee and, as indicated above, the EDC is made whole for the full amount of the Community Solar Credit through its rate recovery mechanism. Through this approach, the entirety of the subscriber fee transaction is concluded at the time the EDC applies the Community Solar Credit (net of the subscriber fee) to the customer's bill and, accordingly, any remaining charges on the customer's bill are related to the customer's distribution and generation service. As a result, any subsequent non-payment by the customer should be handled using the same procedures currently in place for customer non-payment of charges for utility service (*e.g.,*

[27] While the EDCs initial cost recovery filings will include costs incurred to date, the EDCs anticipate that the amount of Community Solar Credits and other costs associated with the Community Solar Program will become steadier and more predictable as the program matures. As such, future filings will include a projection of future costs and a reconciliation component.

notice and disconnection procedures, recovery of uncollectibles through the Societal Benefits Charge ("SBC")).

Subscriber Fee as a Separate Line Item - Under this approach, the subscriber fees are listed as a separate line item on the utility bill (where guaranteed savings are not necessarily assured). The EDC will put the entire Community Solar Credit on the customer's bill and separately charge the customer for the value of the subscriber fee. The EDC will continue to pay the Subscriber Organization for the value of the subscriber fee and recover the full amount of the Community Solar Credit through its rate recovery mechanism. However, in this billing scenario, the EDC will not have been made whole for the value of the subscriber fee until the customer pays the next EDC bill. The question then arises: what should the EDC do if the customer does not make full payment of the EDC bill? Similar to current practice for utility consolidated billing for retail access, these amounts should be treated as any other receivable due the Company for distribution and generation service. As such, any non-payment by the customer would be handled in the same manner as a customer's non-payment of charges for utility services (*e.g.,* notice and disconnection procedures, recovery of uncollectibles through the SBC).

Regardless of the billing approach used, the EDCs must be permitted to recover the full cost of the Community Solar Credit and have recourse for the non-payment of any receivables they incur for the customer. If the EDCs are not permitted, in this context, to treat customer non-payment in the same manner as any other non-payment for utility services, a "pay-as-received" approach to subscriber fees must be implemented. Under this approach, the Subscriber Organization will receive payment only after the customer has already paid for the entirety of the EDC bill. The EDCs cannot assume collections risk from a Subscriber Organization without a regulatory process to support collection of the charges. The EDCs have no control over the participants in Community Solar projects and, thus, have no ability to manage the risks (or costs) associated with these collectibles.

In light of the above, the EDCs recommend that the Board clarify, either through this proceeding or in the context of the EDCs' upcoming cost recovery filings, that the EDCs are entitled to recovery of the full value of the Community Solar Credit and the cost of any uncollectible receivables resulting from their implementation of consolidated billing of Community Solar subscriber fees. Additionally, the EDCs request that the Board clarify that any such receivables are to be treated in the same manner as other charges for utility services, including being subject to the same procedures for customer non-payment.

VII. Conclusion

Community solar consolidated billing provides the opportunity to increase Subscriber participation in community solar while decreasing the Subscriber Organization's costs, providing the opportunity to pass these benefits to Subscribers. The EDCs recommend that if the Board adopts consolidated billing for community solar projects, the EDCs should provide this service and that the method of reflecting Subscription Fees on a Subscriber's EDC bill be implemented by each EDC in a manner that takes into account the EDCs' current billing capabilities, their implementation of consolidated billing for third party suppliers, and implementation of community solar consolidated billing by their affiliates. Allowing this flexibility can minimize the costs and time to implement a consolidated billing program. Timely recovery of community solar credits is critical to the successful implementation of community solar consolidated billing. The EDCs also request that the Board approve recovery of the costs to implement and operate community solar consolidated billing via an annually reconcilable non-bypassable surcharge. Finally, the EDCs support the establishment of a working group to collaborate on some of the processes and procedures that will need to be developed to implement consolidated billing.