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**City of Hoboken Comments Regarding Docket No. QO18060646,
Community Solar Consolidated Billing of Subscriber Fees**

Dear Secretary Camacho-Welch:

Thank you for this opportunity to provide input on the Community Solar Consolidated Billing stakeholder process. Hoboken is committed to addressing environmental justice through innovative sustainability efforts such as Community Solar. As an urban coastal city, Hoboken is particularly vulnerable to the effects of climate change, which continues to threaten the quality of life for Hoboken residents. Sadly, low-income communities and communities in urban areas often bear the brunt of pollution and the impacts of climate change. The City of Hoboken has a responsibility to its residents to counteract imminent threats to the environment by taking an advocacy role in supporting clean energy development, especially regarding the Community Solar Pilot Program.

Please accept the following comments on Community Solar Consolidated Billing of Subscriber Fees, *Docket No. QO18060646*. We provide these comments in response to the Notice of Request for Comments issued by BPU on March 11, 2021.

Firstly, to provide the clarification requested by Jackie Galka, NJBPU Division of Energy, at the March 25, 2021 Stakeholder Meeting Webinar:

1. The use of the term “BGS-Style Consolidated Billing” during verbal comments was not intended to imply that there is any type of purchase of receivables by the utility from a BGS Supplier; rather, it was intended as abbreviated language for the payment protocol employed when a customer is receiving Basic Generation Service, 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. Using this same protocol for Community Solar, the EDC would provide payment to the solar provider on a full (i.e. no deductions, payments, or offsets) and timely (i.e. monthly) basis, regardless of the customer payment status. We apologize for any confusion caused by phraseology.
2. It would be appropriate and acceptable that, in “exchange” for the security of the BGS-style Consolidated Billing described in the above answer, the community solar project must guarantee savings to their subscribers.

The following comments pertain to Question 2 of the Notice of Request for Comments issued by BPU:

- We recommend implementation of consolidated billing for community solar projects because receiving two separate bills makes it difficult and confusing for a customer to identify the savings under a community solar program. Because the bills will be received at different times, with different terms, customers will find it difficult to calculate their bill savings; and program sign-up and expansion will suffer. This should be an available option as soon as possible, and at the same time, if a community solar provider wishes to offer separate billing it should have the option of doing so.
- Relying on customers to make payment on their new, second bill from the community solar provider imposes significant collection and credit risk on community solar providers. LMI customers are frequently prone to significant delays on payment since they usually must prioritize which bills to pay. Accordingly, the LMI resident is likely to be in arrears on their bills. These late and delinquent payment patterns will make financing and cash flow very difficult for community solar providers to serve LMI customers. This, in turn, will seriously hurt the financing, development, and success of community solar for LMI customers. Higher risk translates into higher project costs which means less LMI customer enrollment and reduced savings for LMI customers.
- Specifically, we advocate for the “Utility Consolidated Billing”, and importantly, we further advocate to use features of the BGS billing model for Community Solar Consolidated Billing. The BGS Program (the electric service provided to customers who do not shop for power supply in New Jersey’s deregulated market) includes a consolidated billing mechanism with all charges on the utility bill. BGS providers have their charges collected directly on the utility bill, and – importantly – the utility makes regular payment to BGS providers on a monthly basis, regardless of whether or when customers pay their bills. This system should be the inspiration for Community Solar Consolidated Billing.
- Third-Party Supplier (TPS) consolidated billing method is problematic because customers in arrears can be removed from consolidated billing. This de-incentivizes community solar providers from subscribing LMI households because of the likelihood of being behind on their bills. This likelihood has increased as a result of the COVID-19 pandemic as more households struggle to pay their utility bills. We recommend a billing approach that mirrors Basic Generation Service or BGS billing so that the utility is not allowed to remove a customer from consolidated billing, no matter their economic situation. EDCs may still engage in its normal service termination process, subject to the consumer protections in the BPU’s rules.
- BGS-style billing has been used successfully for over 20 years. For community solar to achieve our social justice goals, and for Hoboken to achieve its climate action goals, we should not exclude LMI customers from this same approach of consolidated billing. Using BGS as a model for billing will lead to more LMI customer participation at a lower cost because community solar developers will have stable revenue and be incented to serve them. Without it, community solar providers will increase rates to LMI customers and will receive a financial signal to minimize, rather than pursue, enrollment of individually billed LMI customers. The costs of this approach should be recoverable by the EDCs from its ratepayers, as is the case for its other clean energy and consumer collectible support functions.

We urge the BPU to take a national leadership position in using community solar to advance environmental justice by requiring the EDCs to use the same consolidated billing method that is already used for BGS, for at least all LMI customers, and ideally for all customers. Thank you for your time and consideration.

Sincerely,

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Environmental Planner