



VIA E-MAIL

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Evergreen Energy Solutions
Comments Regarding Docket No. QO18060646,
Community Solar Consolidated Billing of Subscriber Fees

Dear Secretary Camacho-Welch:

Evergreen Energy Solutions (Evergreen) appreciates the opportunity to file these comments in response to the Notice of March 11, 2021, issued by the Board of Public Utilities (BPU). Evergreen Energy Solutions is a developer of community solar projects headquartered in Lakewood, New Jersey. A critical part of Evergreen's mission is to expand the benefits of solar to low and moderate income (LMI) customers. Please accept the following comments on Community Solar Consolidated Billing of Subscriber Fees, Docket No. QO18060646.

Summary

Before responding to the specific questions provided in the Notice, there are several critical issues that should be recognized by the BPU as it considers and develops new billing protocols in support of its Community Solar Program:

- The billing protocol should be specifically designed to advance the efforts of the BPU and the Murphy Administration to support environmental justice and expand the availability of low-cost solar energy to low and moderate income (LMI) customers in New Jersey. This goal should be a foundational principle in this matter.
- To this end, the BPU should adopt the valuable and proven protocol that it has already utilized for over twenty years to support its successful Basic Generation Service (BGS) program in New Jersey. The BGS program has a key protocol for customer billing and provider payment: BGS provider charges are collected from customers on the EDC's bills and the providers are paid by EDCs on a regular monthly basis, regardless of whether the customer payment is timely. This approach has led to continuous service to BGS customers and lower customer rates since providers do not need to include risk premiums in their rates to customers to reflect late or no payments. This protocol can and should be adopted for Community Solar Consolidated Billing (especially for LMI customers) as soon as possible.
- It should be noted that adoption of the BGS protocol for Community Solar would not be a "subsidy" of Community Solar customers - it is merely equal treatment with the manner in which BGS customers are already served (as most LMI customers are on BGS service). The BPU's efforts to support LMI participation

will be significantly derailed if it does not step up to address this key payment and revenue issue in a manner that will incent solar providers to serve LMI customers, support the financing of LMI projects, reduce solar rates to LMI customers, and expand LMI participation in New Jersey.

The above approach can position the BPU to be a national leader in community solar for LMI customers.

Responses To The Questions Posed At The March 25 Stakeholder Meeting

There were two questions posed to Evergreen by Jackie Galka, BPU Division of Energy, at the March 25, 2021, Stakeholder Meeting Webinar. The following responses are provided to these questions:

- a) 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 customer payment status. We apologize for any confusion caused by phraseology. Moreover, Evergreen notes other parallels between Community Solar and BGS service in several locations in our comments, recommends the deployment of additional key BGS protocols including payment protocols, the BGS customer drop process, and utility cost recovery mechanisms.
- b) It is appropriate and acceptable that, in “exchange” for the security of the BGS-style Consolidated Billing described in paragraph a), that the community solar project should guarantee savings to their subscribers.

Responses To The Questions Posed In The Hearing Notice

Evergreen Energy Solutions provides the following responses to the specific questions provided in the March 11, 2021 Notice of Request for Comments on Community Solar Consolidated Billing of Subscriber Fees, Docket No. QO18060646., in line with our overarching comments presented above.

Question 1: In New Jersey, customers who purchase their electricity supply from a Third Party Supplier (TPS) are typically billed by their EDC. Known as Utility Consolidated Billing, the customer receives a single bill that includes supply charges and related taxes from its TPS and delivery charges and related taxes and charges from its utility. Occasionally, in NJ and in other jurisdictions, dual billing is employed where a customer receives a bill from the customer’s utility company that includes only the utility’s charges and a separate bill from the customer’s TPS that includes only the TPS charges. In other jurisdictions, the TPS sends the utility bill to the customer, which contains all of the utility’s relevant charges. This billing methodology is sometimes called TPS Consolidated Billing. What lessons can be drawn from consolidated billing for TPS customers with respect to its potential application to community solar? What are the advantages or disadvantages of Utility Consolidated Billing, TPS Consolidated Billing and dual billing as they apply to community solar?

While Evergreen appreciates that the TPS protocol has been raised for consideration, we believe that its use in community solar would be counterproductive to achievement of the BPU's policy goals.

The community solar program has been implemented for solar suppliers to supply renewable power to end customers and effectuate a bill credit for all participating consumers. This activity occurs independently of whether or not a customer chooses a TPS, and a customer can participate in CS irrespective of whether they take their power supply from TPS or BGS service. Evergreen believes that adopting the BGS payment mechanism for community solar can be highly effective in helping to expand community solar especially, for LMI customers.

As explained in our opening comments, Evergreen recommends that the BPU should deploy key BGS protocols to be used in community solar billing methodologies. In BGS service, the BGS supplier is paid (on a monthly basis) once the supply is served, irrespective of end customer's payment practices. In the case of CS customers, all customers, including LMI customers, would continue to be served and the supplier would continue to be paid whether or not the customer pays their bill. Without having to take on the credit risk of customer nonpayment, there will be significantly more interest from market participants to supply solar energy to LMI customers. Rather than serving LMI customers merely to meet the BPU's requirement, solar developers will instead be incented to seek out and enroll LMI customers. Moreover, the rates charged to customers under this protocol will be lower since solar providers will not have to embed significant risk premiums in their rates to cushion them from this credit and payment risk.

Under the TPS billing model a customer would be dropped for nonpayment or have to be converted to dual billing. Adoption of the TPS drop procedures would be unreasonable as it will thwart the BPU's efforts to develop a vibrant community solar marketplace in New Jersey, especially for LMI customers. Dropping a customer in 120 days (as happens in a TPS program) will not improve any customer's ability to save money, and instead will detract from a program goal to enable LMI customers to save money. If the customer is dropped from consolidated billing per the TPS protocols, the LMI customer would lose the benefit of participation in the community solar program and the EDC would still have an open collections issue. This restriction would lead to substantial and continuous dropping of customers and would severely handicap cash flow, and increase rates charged to these customers.

Instead, Evergreen proposes that a customer be dropped from the CS program only if customer a) chooses to opt out, b) has service shut off by the utility, or c) closes its account, as is the case for BGS service.

Additionally, as Rockland Electric explained to attendees at the BPU's March 25, 2021 meeting, in the New York Community Solar program customers would not be moved to dual bill upon nonpayment. Evergreen notes that this element of the New York approach, if also followed in New Jersey, would better serve the state's LMI community and better incent participation from solar suppliers who intend to serve LMI customers in this growing market.

Evergreen Energy Solutions also recommends that the EDCs retain the ability to recover uncollectables for community solar in the same manner as they currently recover BGS uncollectibles, through already existing rate recovery provisions.

Question 2: Do you recommend implementation of some form of consolidated billing for community solar projects? If so, do you recommend Utility Consolidated Billing, or third party provision of consolidated billing for community solar subscriber fees (Subscriber Organization

Consolidated Billing)? Please consider this question from the perspective of billing implementation and administration, community solar project financing, and subscriber (customer) protection.

Utility Consolidated billing for community solar projects is essential to the success of this program, especially for LMI customers. Dual billing is confusing to customers and in some cases presents a roadblock for participation in community solar programs. In contrast, consolidated billing, and in particular, utility consolidated billing, creates a seamless experience for participating customers. There is less confusion and less potential for complaints if a customer gets only one bill and sees all charges in one place on their existing utility bill. It will be significantly easier for customers to see the benefits from participation, as opposed to comparing two bills which may have different billing time frames. On a consolidated bill the benefits will be clear. Additionally, consolidated billing removes a barrier for all customers, and especially LMI customers - the need to supply a valid credit card or other payment method for the second bill. Additionally, in conjunction with the BGS-style payment protocol discussed above, the utility consolidated bill protocols will address credit/collections risk for Community Solar providers, particularly for serving the LMI market segment, making that market more attractive and viable.

In summary, utility consolidated billing will eliminate multiple bills, streamline the billing, payment, and collections processes associated with a Community Solar project and is a significant determiner to the success of the Community Solar Pilot Program, especially for LMI participants. Customers are used to receiving one bill and the streamlined payment and collections procedures will incent more generator participation to supply market participants.

Question 3: Please describe in detail how your proposed method of consolidated billing would work and the benefits you believe would be achieved by the use of consolidated billing for community solar. If you are or represent a community solar developer or subscriber organization, please speak specifically to your experience. Please address all related issues, including the following: • Would the bill be sent by the utility (Utility Consolidated Billing) or the subscriber organization (Subscriber Organization Consolidated Billing)? • How would your proposal address customer nonpayment of bills, partial payment of bills, and late payment of bills? In cases of partial payment of bills, which portion of the bill should the payment be allocated towards? • Should customers be dropped from consolidated billing for late payments? • Discuss any purchase of receivables issues. • Discuss any issues relating to consumer credit. • Should there be a fee using consolidated billing and, if yes, what should it be? • Discuss any consumer protection implications of utilizing consolidated billing for community solar, including data privacy and data protection. • How would customer specific data be exchanged? Alternatively, please address why you and/or your organization prefer dual billing.

As Evergreen discussed in the prior answer, utility consolidated billing is the preferred approach and the best structure for all customers, in particular for LMI customers. The utility would send their regular monthly bill and incorporate the solar provider's service / subscription fee into the bill charges.

Customer nonpayment would be addressed exactly the same as if customers were on BGS supply whereby the customer is dropped only for nonpayment (shut off) account closure, moving, or program opt out. Should this occur, subscription organizations will notify the utility of replacement LMI eligible participants.

In accordance with BGS practices, it is recommended that community solar providers should be paid monthly consistent with the terms of section 9.1 of the BGS-RSCP Supplier Master Agreement. Community Solar suppliers would be paid “...on the first Business Day after the 19th day of each calendar month...”, regardless of customer payment.

LMI participants and Community Solar providers should not be required to pay a fee for consolidated billing. EDCs should be allowed the ability to recover any costs incurred, through existing cost recovery mechanisms.

It is recommended that data privacy rules should remain consistent with existing solar, BGS, and TPS programs.

Evergreen Energy Solutions recognizes the longer term benefits of EDI to all parties, especially once there are a large number of customers and solar developers participating in the marketplace. However, if EDI deployment is required for a pilot, the cost of market entry could be cost prohibitive on a cost per customer basis. Evergreen recommends that EDI data transfer be optional during the pilot program and that data transfer by email / spreadsheet be allowed for subscriber organizations during the pilot phases of the Community Solar program.

Question 4: If you are or represent a community solar developer or subscriber organization, please describe in detail the terms of the agreement between the subscriber and the subscriber organization. In particular, please explain the following: • What are the fees and contract terms for subscribers? • Are the fees and contract terms consistent among all subscribers? Does it differ by customer class? • Do subscriber organizations intend to offer guaranteed savings to the subscriber? • Do subscriber fees vary each month?

Evergreen Energy Solutions is focused on serving LMI customers. Savings are guaranteed. Fees and contract terms remain consistent across customer classes and do not vary monthly, and customers may exit at any time.

Question 5: Do any subscriber organizations currently use consolidated billing for community solar subscriber fees in other jurisdictions? If so, please identify the jurisdictions and explain the design of the billing framework, being sure to address the issues identified in Question 2 and 3 above.

Evergreen Energy Solutions strongly recommends utility consolidated billing for New Jersey Community Solar Programs and believes the deployment will place New Jersey in a leadership position, leapfrogging other states' efforts, especially with respect to expanding benefits to LMI customers.

Question 6: Are subscriber organizations paying an administrative fee to EDCs for the use of consolidated billing of subscriber fees in other jurisdictions? If so, how is it structured? If not, how does the EDC recover those costs? Please provide your recommended method of cost recovery.

Evergreen Energy Solutions supports EDC recovery of their costs using the recovery mechanisms that are currently in place for BGS related costs. As with other BPU initiatives related to renewable energy programs, and support for

recovery of uncollectible, the BPU has implemented cost recovery mechanisms that have non-bypassable charges that provide for cost recovery across all customer classes.

Question 7: Should consolidated billing of community solar subscriber fees only be available to projects that provide a guaranteed monthly savings to subscribers? If not, would the provider of consolidated billing be expected to charge subscribers for their community solar participation resulting in an amount due greater than the amount due for electric service? Should this result be permitted for low- to moderate-income (LMI) customers?

Evergreen Energy Solutions guarantees a minimum level of savings in their projects. We agree that projects should guarantee a minimum level of savings to Community Solar program participants. Evergreen does not believe that solar suppliers or subscription organizations should be charged a fee for use of the utility billing services, rather we support EDC recovery of their costs using the recovery mechanisms that are currently in place for BGS related billing costs and other renewable and social programs authorized by the BPU.

Question 8: Please provide comments on the following framework for utility consolidated billing of subscriber fees, which is currently being implemented in New York: a. Utility consolidated billing of subscriber fees is optional for community solar projects. If a project chooses utility consolidated billing of subscriber fees, all subscribers enrolled in that project are billed via utility consolidated billing (with the exception of one anchor subscriber per project). b. In order to participate in utility consolidated billing, all subscribers enrolled in the project must receive a percentage of their original community solar credit on their bills each month. Currently, this minimum percentage is five percent (5%) in New York. c. The subscriber fee is a percentage of the subscriber's original community solar credit each month. The dollar amount of the subscriber fee varies each month based upon the underlying community solar credit. o Example: The subscriber fee is 90% of a customer's community solar credit. On the monthly bill, the customer receives 10% of their credit. The remaining 90% of the credit is remitted by the EDC to the subscriber organization less the administrative fee retained by the EDC. d. At least 60 days prior to operating under a consolidated billing framework, the community solar project owner must provide the EDC with the percentage of the subscriber community solar credits that is available to be applied to the subscribers' bills. e. The same percentage must be applied to all subscribers for the same project (with the exception of an anchor subscriber, if applicable, that will receive its entire community solar credit on its utility bill and is billed by the community solar project owner for subscription fees). The percentage can change no more frequently than every six (6) months. f. Subscriber organizations must agree to use the EDC's communication tool for sharing subscriber percentage information. g. The EDC retains a portion of the subscriber fee to compensate for their implementation and administrative costs associated with utility consolidated billing. This results in the Subscriber Fee percentage in item "c" above being reduced. h. The EDC receives timely recovery of subscriber credits through a surcharge or similar mechanism.

While allowing for flexibility, Evergreen supports a program that guarantees savings to the customer, a key premise of NY's approach. This is a viable option for New Jersey. And as mentioned previously, Evergreen does not believe that solar providers or subscription organizations should be charged a fee for use of the billing services. Rather we support EDC recovery of their costs using the recovery mechanisms that are currently in place for BGS related costs and other BPU authorized social and clean energy programs.

Question 9: If you disagree with any portion of the framework in Question 8, please describe in detail the framework you would support (or refer to your response to Question 3, as relevant). Include specific examples from other jurisdictions, if possible.

While allowing for flexibility, Evergreen supports a program that guarantees savings to the customer, a key premise of NY's approach. This is a viable option for New Jersey. And as mentioned previously, Evergreen Energy does not believe that solar suppliers or subscription organizations should be charged a fee for use of the billing services. Rather we support EDC recovery of their costs using the recovery mechanisms that are currently in place for BGS related costs and other BPU authorized social and clean energy programs.

Question 10: In the case of Utility Consolidated Billing, if you are a community solar subscription organization, should you opt to participate in Utility Consolidated Billing would you maintain backup billing procedures to bill customers who fail to pay the EDC for their community solar subscription? What other options would you suggest to address the risk of non-payment by customers?

No; back-up billing would not be needed under the approach recommended by Evergreen, which – like the BGS program - is based on the EDC making payment to Community Solar providers regardless of customer payment. Additionally, Evergreen does not support the TPS model where customers are converted to dual billing after 120 days for non-payment for reasons discussed above in Questions 1 and 3.

Question 11: What are the potential challenges to implement consolidated billing for community solar? How can these challenges be addressed?

As relayed previously in Question 3, while utility consolidated billing is a significant enabler to the success of the community solar programs, especially with LMI customer base, EDI implementation to convey billing data inputs has a significant initial cost which could potentially result in a cost prohibitive unit cost per customer for pilot program participation. While it is recognized that EDI would be required to achieve economies of scale in a more permanent program, given that EDI may present itself as a potential barrier to market entry on the part of those participating in a pilot program, Evergreen recommends that EDI implementations should not be mandatory for billing data transfer during the pilot program.

Question 12: If Utility Consolidated Billing were available, how would subscriber billing inquiries be handled? Would subscriber inquiries regarding subscriber fees and/or community solar credits be handled by the subscribing entity or the developer, or would the utility be required to take on that role?

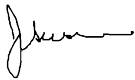
Evergreen Energy Solutions believes that the Subscriber Organization should retain the customer inquiry process for all subscriber billing inquiries. And while the utilities may choose to answer basic customer questions on the program, the utilities should refer customers to the Subscriber Organization as well as the Community Solar vendor on specific solar energy related questions pertaining to their bill.

Question 13: If Utility Consolidated Billing were available, how would subscriber billing information be provided to the utility?

As discussed in the responses to questions 3 and 11, while EDI is a significant enabler to the success of the community solar programs and for achieving economies of scale, it is a potential cost barrier to market entry on the part of those participating in this pilot program. Accordingly, Evergreen Energy Solutions recommends that EDI should not be mandatory for the pilot program. It is recommended that billing related data transfer should occur by spreadsheet during this interim pilot period.

Thank you for this opportunity to provide input on the Community Solar Consolidated Billing stakeholder process. Please do not hesitate to contact us with any questions.

Sincerely,



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