

Comments regarding Docket No. QO18060646, Community Solar
Consolidated Billing of Subscriber Fees
Kim Wall, Hansen Technologies

Hansen Technologies appreciates the opportunity to provide comments in support of the implementation of Consolidated Billing of Subscriber Fees in New Jersey. Below we have provided comments on a select number of the questions as they relate to our participation in community solar.

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?

Response:

- The most significant advantage to consolidated billing is simply that the customer has one less bill to pay. Under retail energy choice, utility consolidated billing is chosen most often, particularly for residential customers, though as the industry matures, TPS Consolidated Billing is gaining traction as it provides capabilities for different product offerings and company branding or messaging to be more customized.
- One disadvantage to utility consolidated billing that can be remedied by a well thought out design is the content and prominence of the information on the utility's bill. When determining what information might show on the Utility Consolidated Bill, consider not only the subscriber organization information, but the subscriber's lifetime savings and environmental impact such as a calculation of the reduction of carbon dioxide emissions that the solar asset provides.
- The issue with dual billing primarily focuses around the customer experience. In many cases the customer is receiving their community solar credits a month or two in arrears and then at the same time receiving a second invoice from the solar provider that may or may not match up with the credit that the customer's most recent utility invoice had. This causes confusion and, in many cases, will result in a customer cancelling their participation in the program due to these billing concerns.

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.

Response:

- Yes, we strongly recommend the implementation of at least utility consolidated billing with the possibility of subscriber organization consolidated billing to follow as the industry matures.
- Customers typically want to pay a single bill when it relates to their utility charges and may not feel the benefits of the solar program outweigh having to pay a separate subscriber organization bill.
- Particularly for LMI customers, having the bill come directly from the utility allows those charges to be considered for low income benefits (e.g., LIHEAP).

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)?

Response: To expedite the implementation and benefits of the program, Utility Consolidated Billing should be implemented first, with a plan to allow for Subscriber Organization Consolidated Billing at a future date.

- 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?

Response: Like retail choice, the utility should purchase the receivable of the subscriber organization. If the subscriber organization is providing a discount, the utility's charges are reduced and therefore overall bad debt is reduced.

- Should customers be dropped from consolidated billing for late payments?

Response: No, the utility would have the outstanding receivable regardless of whether the customer was a subscriber. Dropping the customer from consolidated billing for late payments would harm all parties as the utility's receivable would increase the following month if the customer no longer had a discount.

- Discuss any issues relating to consumer credit.

Response: To encourage LMI subscribers, consumer credit should not be considered for the subscriber organization. All parties benefit if a customer who is more likely to default due to their income level can participate.

- How would customer specific data be exchanged?

Response: Our preference would be to lead the industry in the development of a national data exchange standard. Today's environment, where each utility creates their own data exchange requirements and rules makes it more difficult to enter the market and successfully bill customers. EDI is a proven data exchange mechanism that led to the success of retail energy choice and can be easily implemented for the community solar processes.

Alternatively, please address why you and/or your organization prefer dual billing.

Response:

- Dual billing should remain an option at a subscriber level even after the implementation of consolidated billing. Some solar organizations may want to keep a dual bill process in place for their commercial customers or for programs that are already live.

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.

Response:

- Yes, New York currently allows what they refer to as the Net Crediting model where the utility calculates both the credit and the subscription charge and places both on the customer's bill.
- The utilities purchase the receivable of the subscriber organization at a discount initially set to 1%.

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?

Response:

- Yes, like Retail Choice, many retail suppliers still track the utility consolidated invoices separately to ensure accuracy and answer customer questions. We would want to ensure that the data provided by the utility to the solar subscription organization was enough to provide a similar service of auditing and data capture. However, given that the utility benefits regardless whether the customer pays, the utility should purchase the receivables of the subscriber organization and this situation would not occur. Should purchase of receivables not be an option or not available based on the customer class (i.e., commercial/industrial) then, yes, backup billing procedures should be maintained by the TPS in the case of non-payment.

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

Response:

- A significant challenge is lack of standardization of the information exchange between the subscriber organization and the utility. Utilities have their own rules and processes, not all of which are explained well on their websites for subscriber organizations to ensure that

they understand all the requirements. Hansen Technologies highly recommends an effort to standardize the data exchange using EDI, XML or another common format that can be adopted nationally. New Jersey was a leader in the implementation of data exchange standards for retail electric and gas choice over 20 years ago and should be the leader for this area of the industry as well. Hansen Technologies would fully participate in any effort to standardize the data exchange and would be willing to lead the effort.

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?

Response:

- Subscriber inquiries should be handled by the subscriber organization. It would be important to ensure the utility consolidated bill has all the information necessary for the customer to understand the benefit to the environment, their current and lifetime savings as well as the contact information for any questions related to their subscription.

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

Response:

- The common options are “Bill Ready” and “Rate Ready”.
 - “Bill Ready” is where the utility provides the customer usage (or calculated credit) information to the subscriber organization, who then sends charge lines to the utility to be placed on the utility’s bill. This option allows flexibility in the product offering, wording of the charge lines as well as any additional credits or options the subscriber organization may want to provide to the customer. For example, an annual \$10.00 bonus for continuing their subscription. Bill Ready is used today by New Jersey utilities in retail choice.
 - “Rate Ready” is where the subscriber organization provides a rate to the utility, in this case likely a percentage of the credit, and the utility uses that rate to calculate the subscriber fees.

Thank you for your consideration.

Sincerely,

The logo for Hansen Technologies, featuring a stylized red 'H' followed by the word 'HANSEN' in a grey, sans-serif, all-caps font.

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