

**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

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New Jersey Community Solar	)	
Energy Pilot Program	)	Docket No. QO18060646
Consolidated Billing of Subscriber Fees	)	
	)	

**COMMENTS OF NRG ENERGY, INC.**

NRG Energy, Inc. (“NRG”) submits these comments in the above-captioned proceeding in support of developing options for implementing consolidated billing not only for community solar, but also for Third Party Suppliers (“TPS’s”) licensed by the Board of Public Utilities (“BPU” or “the Board”) to serve New Jersey retail customers – some of whom may also subscribe to community solar projects. The BPU Staff has asked detailed and thoughtful questions about how best to provide consolidated billing for community solar, including specific questions aimed at understanding market participants’ experience with Third Party Supplier Consolidated Billing (“TPSCB”) in other jurisdictions.

**Who We Are**

With a headquarters in Princeton, New Jersey, NRG is a leading integrated power company in the U.S. A Fortune 500 company, NRG creates value through best in class operations, reliable and efficient electric generation, and a retail platform serving residential, commercial, and industrial customers. NRG has approximately 23,000 MW of generation resources throughout the U.S., while our retail electricity providers serve more than six million customers across North America. The company has numerous licensed TPSs that are actively serving electricity and natural gas customers across New Jersey.<sup>1</sup> And, NRG’s retail companies currently send out more than three million consolidated bills each month to our customers in markets where TPSCB is available.<sup>2</sup>

**New Jersey Customers Have A Choice**

As the Board explores options for enabling consolidated billing for community solar providers, it is essential that the Board recognize that New Jersey’s electricity customers may purchase electricity not

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<sup>1</sup> *Reliant Energy Northeast LLC d/b/a NRG Home/NRG Business* ESL-0093; *Green Mountain Energy Company* ESL-0098; *Energy Plus Holdings LLC* ESL-0087; *XOOM Energy New Jersey, LLC* ESL-0115; *Stream Energy New Jersey, LLC* ESL-0109; *Direct Energy Services, LLC* ESL-0078; *Direct Energy Business, LLC* ESL-0165; *Direct Energy Business Marketing, LLC* ESL-0142; and *Gateway Energy Services Corporation* ESL-0166.

<sup>2</sup> NRG’s retail companies send consolidated bills to customers in Texas, Georgia and Alberta, Canada every month, and have done so for more than a decade.

only from the regulated monopoly utilities, but also from TPSs licensed by the BPU, and that any billing solution that is adopted must recognize this fact. The Electric Discount and Energy Competition Act (“EDECA”) restructured New Jersey’s retail electricity market to rely on competition to deliver benefits to the state’s consumers. EDECA gave *all* New Jersey customers the ability to choose their electric supplier.<sup>3</sup> Basic Generation Service (“BGS”) was designed to provide electricity service to customers who choose not to select a TPS and the regulated utilities continue to provide BGS more than 20 years later. Importantly, the legislature declared when it adopted EDECA that it is the policy of the State to “place greater reliance on competitive markets, where such markets exist, to deliver energy services to consumers in greater variety and at lower cost than traditional, bundled public utility service.”<sup>4</sup>

Community Solar is a market innovation enabled by the introduction of competition into the electricity supply market. NRG has long been a proponent of increasing access to renewable energy. One of NRG’s retail companies, Green Mountain Energy Company (“GME”), pioneered renewable energy for mass market customers. GME was the first retail supplier in the country to offer green power products to residential customers and has offered renewable options to mass market customers longer than any other retail supplier. Demand for renewable energy by Green Mountain customers led to the first utility scale wind power project in the Eastern U.S. – the Green Mountain Energy Wind Farm in Garrett, PA in 2000. We like to think we started the renewables revolution and we are certainly committed to seeing the adoption of renewable resources grow. TPSs are well situated to work with community solar developers to facilitate customer participation in their projects. This is a nascent market that needs more billing options in order to thrive. Enabling TPSCB in New Jersey is essential to helping this market grow.

### **TPSCB is Mandated by New Jersey Law**

EDECA required the Board to implement a proceeding to establish the provision of Customer Account Services (“CAS”) so that customers could choose electric and/or gas suppliers to provide these services. EDECA defines CAS as “metering, billing, or such other administrative activity associated with maintaining a customer account.” EDECA clearly contemplates the provision of consolidated billing by licensed TPSs and gives the Board authority and direction to implement competitive metering and billing functions through required proceedings.

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<sup>3</sup> Notably, the legislature did not restrict the ability to shop for any customer class. All customers, including low- and moderate-income (“LMI”) customers, are permitted to shop and select the supplier and the product or service that meets their unique needs. Comments offered by some parties during the Board’s March 25, 2021 stakeholder meeting implied that community solar subscribers, particularly LMI customers, be required to take BGS service offered by the regulated utilities and to be billed through utility consolidated billing. NRG asserts that such shopping restrictions, if adopted, would violate EDECA and any proposals to this effect must be rejected.

<sup>4</sup> N.J.S.A. 48:3-50a.(2).

In 2000, the Board instituted a proceeding to “determine the manner and mechanics by which customers may choose a supplier for some or all Customer Account Services.”<sup>5</sup> Each of the state’s regulated utilities executed a separate, but identical, settlement document as a result of that proceeding with utility specific attachments appended to each settlement that laid out the basic requirements for TPSCB. For example, PSEG adopted a *Third Party Customer Account Services Master Agreement* and makes it available for execution by TPSs.

The Board’s Order indicates that it directed the New Jersey Billing Implementation/EDI work group to create process flows, business rules and EDI transactions, or other Board approved electronic data exchange protocols necessary to facilitate the implementation of TPSCB. However, NRG is not aware that such protocols and rules were ever developed and implemented. Despite this, each of the utility supplier tariffs and/or supplier master agreements contemplate and enable TPSCB. The provisions of these tariffs/manuals are ineffective because they have never been operationalized. No EDI transactions exist and no rules governing how TPSCB would work are in place that would allow any of the utilities to execute the CAS Agreement were a TPS to request it.

Regardless, it has been almost 20 years since the Board last considered this issue, and the CAS Order and Settlement Agreement represent a starting point for full TPSCB implementation. A Board decision in this matter directing TPSCB to be implemented in concert with the implementation of a permanent community solar program is an appropriate resolution to the barrier that the utility consolidated billing model presents to the availability of innovative products from TPSs. Community solar providers seeking to attract customers taking electricity service from TPSs to subscribe to their community solar projects should have the ability and option to enlist the consolidated billing services offered by TPSCB suppliers. Similarly, BGS customers who subscribe to a community solar project should have the option of being billed through the consolidated billing services provided by the regulated utilities.

### **Consumers Want One Bill**

Customers desire the convenience of a single bill that includes all electricity-related charges. Choice is about giving customers what they want, and customers overwhelmingly have expressed a desire for simplicity.

In contrast, dual billing creates confusion. Customers cannot be expected to understand that they are required to pay two energy bills covering the same period of time from two separate energy companies (whether it be bills from a utility and a TPS, a utility and a community solar provider, a TPS and a community solar provider, or a utility, a TPS *and* a community solar provider). While we like to think customers always understand the difference between supply and delivery (or supply and SRECS and delivery), the reality is that a large number of them do not. And a customer who has any doubts about paying two separate bills is more likely to pay the bill from the monopoly utility that has always billed

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<sup>5</sup> *I/M/O The Electric Discount and Energy Competition Act of 1999 Customer Account Services*, Docket No. EX99090676 (the “customer account service,” or “CAS Orders”).

them before they pay a TPS or a community solar provider – even though the customer chose those services. Moreover, dual billing does not address the inherent inequities of allowing the utility to be the only entity that is able to offer consolidated billing services. Such an imbalance creates the impression for customers that the utility is somehow superior, even though such an impression may be far from the truth. In short, dual billing is not a viable alternative for suppliers or community solar providers.

Finally, TPSCB aligns with what customers expect from their service providers. Customers expect to be billed by, and pay, the provider of the goods and services they consume. There are no other commodities or services that a customer purchases where the customer is billed by, and pays, the company that delivered that product or service. For example, customers do not receive a bill from and pay the United Parcel Service for purchases delivered to their homes and businesses. Stores that sell light bulbs do not require customers to pay a separate delivery charge to the trucking company that transported the products to the store. Rather, in these and other examples, the delivery charges are billed by the merchant as part of the cost of the product.

### **TPSCB Benefits Consumers**

TPSCB is an essential communication tool that allows a TPS to establish a relationship and build brand recognition with its customers. TPSCB enables a supplier to demonstrate its proficiency and competence at meeting the customers' needs and increases the supplier's visibility with its customers. With increased visibility comes increased accountability to its customers. It becomes much more difficult to charge unreasonably high prices for suppliers who own the responsibility to collect payments for those charges. Suppliers offering TPSCB are no longer able to hide on page four of the utility bill. For this reason, TPSCB can be viewed as possibly the most effective consumer protection tool – bringing transparency to the customer supplier relationship.

With the implementation of TPSCB, New Jersey customers would gain access to more innovative products and services. Not only would they be able to get a single bill that includes their community solar charges, they would also gain access to tools that enable them to budget their energy dollars more effectively. With SCB, TPS's can offer payment plans that allow customers to decide how much they want to spend on electricity and manage their energy usage accordingly – options that are currently unavailable.<sup>6</sup> New value-added and bundled services, such as home security, HVAC maintenance, surge protection, demand response, energy efficiency services, energy monitoring and smart thermostats will become more readily available – with the charges for all services consolidated on one easy to understand, consumer friendly bill.

TPSCB is essential to enabling the TPS's business to grow and thrive. The billing relationship is an important factor in improving customers' satisfaction with the service they receive.

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<sup>6</sup> Examples include flat bill products and pre-pay plans that mimic plans that are common in the telecommunications sector.

## NRG Responses to Stakeholder Questions

**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?

**NRG Response:** Community solar requires a billing scheme which includes a subscription fee, bill credits and in many cases additional text fields to describe the transaction. Currently, the utilities' consolidated bills accommodate charges from TPSs, but not from community solar providers, who are left with no other option than to send their customers a second, standalone bill for their charges. As noted above, dual billing of energy charges is not an effective way of communicating with customers and leads to confusion and a poor customer experience.

NRG agrees that it is important that community solar customers see the costs and benefits of these services all in one place so that they fully understand the products they are buying and the benefits these programs are providing to the community. As described by the utilities during the March 25, 2021 stakeholder meeting, operational changes are required to enable the Utility Consolidated Bill ("UCB") to include charges from community solar providers (e.g., adding new sections onto the bills, new line items, the ability to show subscription fees and credits, etc.). In addition, new business rules and data exchange protocols would need to be created, and community solar providers would need to be certified to transact with the utilities through EDI in order to transmit data to the utilities.

NRG's retail companies in NJ currently bill all their customers through UCB (due to the absence of TPSCB) and can attest that UCB's usefulness in communicating with customers about their supply service is limited. TPS's are limited as to the number of lines and the number of characters per line they may put on the utility bill, and suppliers have no input on how the information is presented or where it appears on the bill. And if customers receive electronic billing, which customers increasingly choose to do, at least one utility masks the name of the supplier in its online bill presentment to customers – identifying the supplier charges simply as,

“Third Party Electric Supply,” or “TPS Energy Charge”. The only way a customer can see the name of the supplier is to download a pdf of the actual bill, a step that arguably few customers take the time to do.

In NRG’s experience, TPSs have more flexibility to bill for community solar and other value-added products and services and are experienced at presenting information about these services in a way that is easily understood by the customer. As mentioned above, TPSCB is the key to seeing true innovation in the State and enabling customers to receive all types of products including community solar, unique retail electricity products suited for Electric Vehicles and reducing demand during peak hours. TPSCB must be enabled to unlock this innovation and provide another consolidated billing option to community solar providers serving customers who exercise their right to shop.

**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.

**NRG Response:** NRG urges the Board to fulfill its statutory obligation to require the implementation of TPSCB for the reasons noted above. TPSCB is essential for TPS’s to offer consolidated billing services to community solar providers serving TPS customers. NRG does not oppose a requirement for the regulated utilities to extend their UCB billing services to community solar providers for BGS customers that subscribe to their services. Importantly, the utilities should be directed to implement the changes necessary to effectuate *both* billing scenarios *concurrently*, as the same billing systems and EDI transactions will be leveraged in both billing scenarios. Implementing the necessary changes to these systems will be more efficient and cost effective if done at the same time. Additionally, the utilities must be able to recover the costs incurred to make the required changes.

**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.

**NRG Response:** As noted above, NRG recommends that community solar providers be provided with multiple consolidated billing options in order to meet the needs of both shopping and non-shopping customers. TPSCB must be implemented to satisfy the legislative intent outlined in EDECA that TPSs have the ability to offer customer account services, namely consolidated bills, to their customers. Similarly, the utilities should be required to modify UCB to accommodate community solar charges (“UCB for solar”) so that BGS customers can receive a consolidated bill that includes community solar charges.

In a TPSCB/UCB for community solar environment, the billing entity (i.e., either the TPS or the utility) would send bills to their respective electricity supply customers that include both community solar provider charges (e.g., subscription fees, credits, etc.), as well as electricity supply and delivery charges. The billing entity (i.e., the TPS or the utility) would then manage credit and collections for their respective customers as governed by the Board’s regulations.

Similarly, the billing entity (i.e., TPSCB supplier or utility providing UCB services) would purchase the receivables of the community solar provider. For TPSCB, the TPS would purchase the utility’s receivables for their delivery charges. In other markets where TPSCB is operational, utility receivables are purchased in full and without recourse. Similarly, TPSs and community solar providers must be free to negotiate mutually acceptable terms for the treatment of the community solar provider’s receivables.

Finally, usage and billing data would be exchanged via EDI the way it is exchanged today between TPSs and EDCs, and modifications to the existing EDI transactions are necessary to effectuate these new billing scenarios. Rules would need to be developed to govern a variety of other processes, including late payment fees, deposit requirements, data privacy, etc. The Maryland Public Service Commission recently approved rules to implement TPSCB, and those rules can serve as a starting point for discussions in New Jersey.

#### **Questions 4 - 7:**

**NRG Response:** N/A

**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.  

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.

**NRG Response:** NRG takes no position on the fee structure adopted by the utilities to offer consolidated billing services to community solar providers. TPSs offering TPSCB services to community solar providers must be free to negotiate a fee structure with community solar providers that are mutually satisfactory to both parties to the transaction.

**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.

**NRG Response:** See NRG's response to Questions 3 and 8 above.

**Questions 10 - 13:**

**NRG Response:** N/A

**Conclusion**

NRG appreciates the opportunity to offer its perspective on the consolidated billing options that will deliver the best experience for New Jersey's customers. In a competitive retail market where innovation continues to produce new and exciting solutions, and where customers exercise their right to choose the service providers, products and services that meet their unique needs, consolidated electricity bills offered by the customer's chosen energy supplier (TPS or utility) is the only answer that will satisfy New Jersey customers' expectations.

**Respectfully submitted,**

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