

April 9, 2021

Re: Comments regarding Docket No. QO18060646, Community Solar Consolidated Billing of Subscriber Fees – Schottinger, Solar Landscape

Dear Board Secretary:

Solar Landscape respectfully offers the attached comments to Docket QO18060646, published on March 11, 2021.

Solar Landscape is an Asbury Park, New Jersey-based solar company specializing in medium- and large-scale solar project development, design, installation, and long-term asset management. In Year 1 of the Community Solar Pilot Program, Solar Landscape was awarded eight projects, totaling approximately twenty megawatts. Today, those eight projects are in various stages of development and operation—including the first two operational Community Solar projects in New Jersey—with a large number of customers already subscribed.

Thank you for continuing to promote clean and equitable energy access for all New Jersey residents.

Sincerely,

/s/ Mark Schottinger

Mark Schottinger
General Counsel

RESPONSES TO SPECIFIC QUESTIONS POSED BY STAFF

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?

SOLAR LANDSCAPE RESPONSE:

Dual billing needlessly complicates the billing process for community solar customers. We feel strongly that the way forward for community solar is in providing customers only one consolidated bill that clearly explains all of their charges from both the utility company and the community solar provider. The single bill should also include the community solar provider's name, telephone number, and email.

We have found that prospective customers are frequently confused and discouraged with the thought of receiving a second bill, sometimes believing that the existence of a second bill means they are paying more for electricity through community solar than they would if they did not enroll. For some prospective customers, the conversation about enrolling in community solar ends altogether at the mention of receiving two bills.

We further believe that a consolidated bill provided by the utility company (i.e., Utility Consolidated Billing) is preferable to TPS Consolidated Billing in that it makes clear to customers that enrolling in community solar does not end their relationship with the utility company. Explaining to a prospective customer that he/she would no longer receive a bill from the utility company would lead to misunderstandings illustrated by questions like: Am I still a customer of my utility company? Now that I'm not being billed by my utility company, who do I call if the power goes out? Community solar is a new program, why should I leave the utility company to join an unfamiliar company and a new program? In this respect, for some customers, TPS Consolidated Billing would be even less palatable than dual billing (inasmuch as with dual billing, there is at least still a direct contact with the utility company). In sum, by limiting changes in the presentation of the utility bill, customers will be more likely to enroll in community solar and less confused by the billing process.

Some stakeholders have raised concerns that receiving a bill from the community solar provider makes subscribers feel part of the community solar project. In our experience, that is not the case. Welcome packages, correspondence regarding the status of the community solar facility, updates about the benefits caused by the subscription (both environmental and financial), incentivizing referrals, etc. are all meaningful ways that customers can be made to feel a part of their community solar project; whereas by contrast, receiving a bill is not one of the feel-good avenues for customer engagement.

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.

SOLAR LANDSCAPE RESPONSE:

We recommend a move to consolidated billing for community solar subscribers. From the perspective of billing implementation and administration, Utility Consolidated Billing presents the most efficient, transparent, and simplest approach, largely because the utility already has the billing relationship with the customer. Utility Consolidated Billing will remove a major obstacle to subscriber participation in the community solar program and will make it easier for subscriber organizations to enroll customers. From a subscriber's perspective, Utility Consolidated Billing will simplify the billing and payment process, clarify the benefits of participating in community solar, and increase consumer protection by only requiring payment information to be shared with one billing entity. From the perspective of community solar financing, consolidated billing will, by removing an obstacle to enrollment, allow for greater predictability for financiers and grow enrollment. Moreover, Utility Consolidated Billing (as opposed to TPS Consolidated Billing) is preferable for financing purposes because the utility company is more bankable (e.g., less at risk of bankruptcy) than the entities that would offer TPS Consolidated Billing (which would inevitably include "startup" companies, some of which may fail, thereby adding to the confusion for any customers whose consolidated bills were provided by such startup).

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.

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

SOLAR LANDSCAPE RESPONSE:

We recommend that the bill be sent by the utility company, both to ease customers' transitions to community solar, and to make use of the billing infrastructure currently in place.

We further recommend that the consolidated billing system should address nonpayment and late payment by making such losses the responsibility of the utility company. We believe that participation in community solar does not increase the likelihood of non-payment by a utility customer, and may in fact reduce the likelihood of non-payment by virtue of reducing the amount billed. As a result, we believe that the utility assuming non-payment risk for community solar—where it would already have assumed that risk to an equal or greater extent without community solar existing—is a fair and simple solution. The utility company should pay the full amount due to the community solar project and socialize non-payment and late payment of any particular customer over its entire customer base—just as it would with any other non-paying or late-paying customer. Because of this much larger customer base and a natural information advantage on historical non-payment, we believe the utility companies are clearly best positioned to manage and absorb this risk. This structure would also allow for the complete exclusion of credit or income considerations when subscriber organizations are acquiring subscribers, which would encourage LMI enrollment and facilitate financing. We finally also recommend that there should be no fee for using consolidated billing, but that any administration costs for the utility also be socialized into its rate base to the extent allowable.

The above proposed approach would entail treating community solar providers—who are generators of electricity—like the BGS generators of electricity, rather than treating community solar providers like TPS brokers (who typically are not generators of electricity). This treatment is all the more warranted because community solar providers generate clean/renewable electricity that disproportionately benefits New Jersey's LMI residents, which should be incentivized over electricity that is not clean/renewable and/or does not benefit LMI residents.

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?

SOLAR LANDSCAPE RESPONSE:

Solar Landscape offers its community solar subscribers extremely flexible contracts with guaranteed savings in the form of a percentage discount off the bill credits. We have offered greater discounts and/or additional financial incentives to LMI customers. Customers can cancel any time

without a penalty, and there are no hidden fees. We always aim to be transparent and straightforward with customers.

Put simply, a community solar subscription is a product that should sell itself because its benefits are so great—i.e., locally produced green electricity that is substantially cheaper than non-green electricity. Unfortunately, some customers are nonetheless deterred from enrolling because they are confused by dual billing, are not willing to deal with a second bill, and/or are skeptical of providing their payment information to an unfamiliar company in a new program. Utility Consolidated Billing would solve these problems.

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.

SOLAR LANDSCAPE RESPONSE:

N/A

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.

SOLAR LANDSCAPE RESPONSE:

N/A

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?

SOLAR LANDSCAPE RESPONSE:

We recommend that the billing provider should not charge subscribers in an amount greater than the amount due for electric service. It is a goal of community solar to benefit LMI customers and New Jersey residents as a whole. Accordingly, they should not be expected to pay a larger electric bill as a result of enrolling in community solar. This would not be an issue for Solar Landscape, because all of our contracts offer guaranteed savings in the form of a substantial percentage discount off the value of the bill credit. Relatedly, administrative costs of a Utility Consolidated Billing approach should be built into the utilities' rate base to socialize the cost (which we would expect to be very small on a per-customer basis).

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.

SOLAR LANDSCAPE RESPONSE:

Please see response to Question 3 above for our preferred approach. Additionally:

- *Solar Landscape is not opposed to making consolidated billing optional. We would certainly opt into consolidated billing, but we see no harm in allowing other companies to choose otherwise.*
 - *We think it is important that LMI customers be allowed to receive greater discounts as compared to non-LMI customers. This is in line with the goals of the community solar program.*
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.

SOLAR LANDSCAPE RESPONSE:

Please see responses to Question 3 and Question 8 above.

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?

SOLAR LANDSCAPE RESPONSE:

Our recommended approach would shift and socialize the non-payment risk to the utility, where it always was to begin with; utilities would pay subscriber organizations for the face value of the billed credits, less the discount offered off the bill credit, thereby absorbing the non-payment risk from the subscriber organization. In this respect, we recommend a BGS-style system by which the EDC is responsible for covering the losses that result from customers' non-payment and socializing that loss over their customer base. As a result, we would not need to maintain backup billing procedures of sensitive customer billing information, which is a good outcome from a consumer protection perspective.

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

SOLAR LANDSCAPE RESPONSE:

There would be minor logistical challenges to implementing a consolidated billing system, but that will always be the case; and implementing the system now, in the program's infancy, would avoid complications that would result from postponing implementation. For example, Program Year 1 projects that have already begun the billing process in the dual-bill system would need to explain to customers that the dual bill is changing to a single bill. Explaining that to customers for PY1's 75 Megawatts would be much easier than explaining that to customers for the many more Megawatts' worth of projects that will be coming online in the next few years. Additionally, the utility companies would need to implement a new system, which would inevitably entail some challenges, but they are aptly capable of handling this task.

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?

SOLAR LANDSCAPE RESPONSE:

We recommend including the community solar provider's name and contact information on the bill. This would enable customers to easily contact their community solar provider, rather than the utility company. If the customer chooses to contact the utility company, the utility company should be generally able to answer questions about the bill, but they should also provide the customer the community solar company's contact information. For example, if a customer were to call the utility company, the utility company's representative would pull up the account, answer any questions, and say "your community solar provider is Solar Landscape, and here is their phone number and email address." Community solar providers can and should continue to engage with their customers, and in our experience, as detailed in response to Question 1, the bill is not the only or best way to do that.

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

SOLAR LANDSCAPE RESPONSE:

We envision that the utility would simply continue to bill and receive payment by the same method currently used for the existing utility bill. Since the new bill with community solar bill credits will be lower, we don't foresee a need among subscribers to provide multiple or different payment methods as a result of a shift to Utility Consolidated Billing.