

April 9, 2021

Joseph L. Fiordaliso, President  
State of New Jersey Board of Public Utilities  
44 South Clinton Avenue, 9th Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350

**RE: Docket No. QO18060646, Community Solar Consolidated Billing of Subscriber Fees**

Dear President Fiordaliso:

Thank you for this opportunity to provide comments on the potential for consolidated billing of subscription charges within the Community Solar Pilot Program. Nexamp is grateful to have been awarded projects under Year 1, and we look forward to continuing our investment in the program and working with the Board on our shared goal of delivering clean energy to New Jersey residents and businesses.

Nexamp understands the desire of many stakeholders to implement consolidated billing for the community solar program and we agree that if well designed, having utility consolidated billing as an option for subscriber organizations may offer benefits for some subscribers, particularly LMI subscribers. Unlike many stakeholders, however, we do not believe that consolidated billing, in any form, is a panacea for issues within the community solar program, or a silver bullet to addressing LMI participation. In fact, if poorly designed, consolidated billing has drawbacks that may even be a detriment in the long run to New Jersey's efforts to increase energy equity within this program. In other words, the process by which a consolidated billing program is developed and implemented are as critical as the billing framework itself.

In terms of process, Nexamp urges the Board to continue the robust stakeholder engagement that they have initiated so far, should the Board choose to explore consolidated billing further. The details of consolidated billing are complex, are critical to the actual success of the program if implemented, and will have significant ramifications for the community solar marketplace in New Jersey. Subscriber organizations need to be at the table throughout this process, and companies like Nexamp have a lot to offer from extensive experience working directly with community solar subscribers.

In terms of design, any consolidated billing option must keep the customer experience at the forefront. It is important to remember that community solar, when functioning properly, provides parity for customers who are unable to host rooftop solar to similarly experience the benefits of solar energy—the savings and the experience. Without rooftop panels on their homes, the experience for these customers is centered on billing process and communication with subscriber organizations. If community solar is relegated to a simple line item on a utility bill, the full experience of a subscription will be lost, undermining the customer experience that defines community solar. Consolidated billing should also be designed to accommodate a diversity of community solar offerings and discounts and not inadvertently limit the options available to consumers.

To put it simply, the logical benefit of having one bill does not guarantee a positive customer experience and in seeking to address one problem, the Board should be mindful of opening the door to new ones.

***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?***

Under utility consolidated billing, there is an advantage for subscribers who prefer to have one bill with their utility and community solar subscription fees all in one place. Utility consolidated billing can simplify the process for developers who do not have experience billing customers. The major disadvantage, however, is an inability for subscriber organizations to communicate directly with subscribers through this process. Utility consolidated billing often relegates community solar to a line item on a utility bill, which practically means it is difficult for subscribers to understand and track their subscription.

Electric utilities may have a monopoly over the delivery of electricity, but they do not presently have nor should they be granted a monopoly over electric billing. TPS offers an alternative. TPS consolidated billing offers the benefits of a single bill, but allows a third party, potentially a subscriber organization, to present the single bill as opposed to the utility. The greater control over the communication and presentation to the customer would be an advantage under the community solar program, allowing Subscriber Organizations to actively manage the customer experience while offering subscribers the convenience of a single bill.

Dual billing is the most common method of billing in successful community solar programs to date. While the disadvantage is that some customers may not want to receive two bills, there are a number of advantages to this approach. In particular, it gives the subscriber organization an ability to control the customer experience without the complexity of consolidating other charges. Competition among subscriber organizations for customers means that companies are incentivized to make billing and communication as simple as possible, but especially in designing the visual impact of the subscriber organization's invoices. These communications create trust between the subscriber organization and subscriber and can emphasize not only the monthly, but lifetime savings to the customer, as well the environmental impact in salient terms of "trees planted" or "cars taken off the road." Many solar providers offer this for customers with rooftop systems and it is a simple way to make the experience of community solar that much more like panels on roofs.

***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.***

Both utility consolidated billing and TPS consolidated billing should be an option, but only if they are voluntary services and their implementation does not jeopardize the beneficial customer experience that community solar subscribers enjoy today. Utility consolidated billing with purchase of receivables will aid in the financing of community solar projects, particularly those focused on LMI subscribers. As noted above, however, if consolidated billing is not implemented properly it is likely to be a detriment to customer experience under this program, and thereby, the program as a whole.

***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. 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?***

If the Board pursues utility consolidated billing, Nexamp recommends that utility consolidated billing be optional and should include purchase of receivables, to aid in the financing of LMI community solar projects. While Nexamp does not run credit checks on customers in any circumstance, this provision will help address concerns about non-payment. It is reasonable for the utilities to include a fee for this service, but it should be reasonable, reflective of the specific costs associated with implementing the program, and should not exceed 1% of bill credit value.

In the event the Board determines utility consolidated billing would benefit the community solar marketplace in New Jersey, it should also approve consolidated billing by third parties including by subscriber organizations. Under this method, suppliers or subscriber organizations could present a consolidated bill to customers, including all details of CS subscription and utility charges. They would then receive and remit payment to utility for all utility charges. The customer would retain the obligation to pay the utility for the relevant charges.

***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?***

Our program provides subscribers a guaranteed discount of at least 10%, and there is no cost to join our program and no penalty for leaving the program (we ask for 90 days' notice). We do not redline our contract—subscribers are not required to undergo a credit check because our program is designed specifically to ensure that everyone—regardless of income, credit history, roof space or geographic location – can participate in community solar.

Different subscribers may have different contract terms—this is most common for commercial customers, and the discount rate may be different in some cases. Frequently this is the case for LMI customers, who may receive a greater discount than non-LMI customers.

Under the guaranteed discount model, subscription fees in dollars will vary per month depending on amount of credit applied to the subscriber's bill. But the discount rate remains the same each month, and ensures that subscribers are receiving a net savings when credits are applied to their bill. At a 10% discount, if a subscriber receives \$100 in credits on their electric bill in a given month, they will owe \$90 for those credits. If they receive \$50 in credits the next month, they will owe \$45 in subscription costs.

***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?***

Yes, there should be a guaranteed discount or savings for customers in order to participate in consolidated billing. Under no circumstances should a subscriber organization be allowed to benefit from consolidated billing for LMI customers without guaranteeing a more than nominal discount for LMI subscribers.

***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.**

The most significant problem with the New York program is the inability to differentiate discounts between subscribers. This is commonplace in the community solar market, and especially so in New Jersey, where attracting LMI customers is a key component of the Community Solar Pilot Program. In practice, a greater discount is generally offered to LMI customers over non-LMI customers, but without the ability to differentiate discounts, subscriber organizations will almost certainly have to offer lower standard discounts to all subscribers. Any benefit to LMI subscribers that would come from consolidated billing would come at a significant cost overall if they were not able to take advantage of greater discounts as a result.

In addition, there can be a significant lag in payments from the utility to the subscriber organization in the New York program, in some cases 130 days from payment by subscribers, which is problematic for subscriber organizations trying to maintain accounting for projects. This should be limited to no more than 90 days.

Regarding communication, while it is reasonable to use only one method of communication between subscriber organizations and the utility, subscriber organizations need to be involved in the process of establishing that method. Any provisions around communication and access to data should not discriminate between subscriber organizations that may participate in consolidated billing and those that do not.

In general, New York's program was primarily a utility-driven process that did not adequately contemplate and incorporate subscriber organization practices in the community solar market. As the Board continues its process on this issue, stakeholders must continue to be involved in the vetting of any consolidated billing option. The lack of ability to differentiate offers to subscribers is an obvious flaw in the New York program that has altered the market substantially, and for the worse. The Board can avoid this by continuing a robust stakeholder process and ensuring that any option is truly viable for the New Jersey market.

Further, in implementing the net crediting program in New York, the Public Service Commission punted a lot of decisions, specifically those impacting the customer experience, to an informal stakeholder

process. When it comes to bill presentment, bill messaging, and bill inserts, the Board must consider their impact on the customer experience and be prescriptive in its Order on how it will protect the community solar customer experience.

Finally, when the utility consolidates a community solar subscriber's bill, prompt resolution of customer bill errors is of paramount importance. In all community solar markets where Nexamp is active, our billing and crediting team spends an inordinate amount of time resolving utility billing errors. This becomes harder when the utility completely owns the billing relationship. At least with two bills, Nexamp can use its own bill to account for and mitigate whatever utility errors the customer experiences on his electric bill. That flexibility does not exist with utility consolidated billing.

***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***

As noted above, a key flaw in New York's program is the inability to differentiate discounts between subscribers. Any consolidated billing option should have the functionality necessary to offer different discounts to subscribers on the same community solar project.

In addition, New York's program does not give adequate consideration to the presentation of community solar subscription information on customers' bills. As in our view this is critical to successful implementation of consolidated billing, the Board should ensure that implementation here incorporates feedback from subscriber organizations into the design of customer-facing materials. That could include a bill insert, as in the attached mockup.

Another flaw in New York's program is the lack of penalties or accountability for the utilities if they make repeated mistakes in applying credits or remitting payment. There should be a formal opportunity for resolution and accountability if New Jersey is going to implement consolidated billing.

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

There are two principal challenges with implementing consolidated billing. First, is ensuring the customer experience is protected. Second, is ensuring subscriber organizations have access to the data needed to track what is being applied to customers' bills.

Regarding the customer experience, the presentation of community solar subscription details needs to be well defined in this process. Community solar cannot be relegated to a simple line item or buried on page four of a bill, if this is to be successful. At a minimum, the bill must clearly label the credit as a "community solar credit" or the equivalent, and include the name of the subscriber organization providing the credit. The bill should also allow for an insert that can track subscription progress in more detail. Nexamp has included a mockup of how this would look alongside these comments.

It is also critical that subscriber organizations have full access to utility data in order to track what is being applied to customer bills. This is critical for all subscriber organizations, regardless of whether they are participating in consolidated billing or not. We need the ability to track for accuracy, and to be able to verify what is being applied. Utilities should grant full access to this information. Even with increased automation, errors in this process are to be expected. Tracking this information will uncover these errors, but there needs to be a process to resolve this issues, including Board oversight if necessary. If errors are commonplace, there should be repercussions.

***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?***

Questions regarding a subscription should be directed to the relevant subscriber organization. As noted above, under consolidated billing it is critical that key information regarding the subscription is on the customer's utility bill so that the customer can track their subscription and clearly see the subscriber organization that is applying the credit. This will ensure customers can direct any questions to the correct entity.

In addition, utility customer service representatives should be able to communicate the basic dynamics of the community solar program in order to address basic questions about the program from their customers, or to be able to direct customers to the subscriber organization if there is a question regarding their subscription or if otherwise necessary.

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

The utilities should establish a method of communication in conjunction with subscriber organizations that relies on automatic processes to the greatest extent possible. Manual inputs inevitably lead to errors and increase resource needs on both utilities and subscriber organizations. Ideally information should flow through API. EDI would also be an acceptable method of communication. Importantly, data access and communication procedures with the utility should be the same for all subscriber organizations, not just those that participate in consolidated billing. Subscriber organizations that choose not to participate should not suffer from a lack of access or proper communication with the utility, simply by not participating in consolidated billing.

Sincerely,

Jake Springer  
Senior Policy Associate  
Nexamp



JANE DOE  
**Account Number:** 0123-4567-890  
**Statement Date:** September 26, 2017

13831

*Service Address:* 123 MAIN ST, ANYTOWN NY 12345

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**Electricity Service - Residential**

*Service from:* 08/22/17 - 09/24/17

**Electricity Delivery Charges**

Basic service charge				15.11
Delivery charge	1000 kwh	@	0.03963	39.63
Transition charge	1000 kwh	@	-0.00009794	-0.10
Revenue decoupling mech	1000 kwh	@	0.001116	1.12
NY state assessment	1000 kwh	@	0.000703	0.70
SBC charge	1000 kwh	@	0.005997	6.00

**Subtotal Electricity Delivery** **\$62.46**

**Electricity Supply Charges**

Supply charge	1000 kwh	@	0.02915012	29.15
Merchant function charge	1000 kwh	@	0.006024	6.02

**Subtotal Electricity Supply** **\$35.17**

**Electricity Taxes and Surcharges**

Taxes on delivery charges		@	2.0408%	2.37
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**Subtotal Electricity Taxes and Surcharges** **\$2.37**

**Total Electricity Cost** **\$100.00**

**Total Energy Cost** **\$100.00**

**Miscellaneous Charges**

09/26/17	Community Solar Credit	\$10.00
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**Total Due to NYSEG** **\$90.00**

**Community Solar Credit Explanation**

<p>Your share of the solar farm generated <b>\$100</b> of clean electricity for the grid.</p>	<p>10% of what your farm generated is applied to your bill as a community solar credit, generating <b>\$10</b> of savings this month.</p>	<div style="border: 1px solid gray; border-radius: 50%; padding: 10px; display: inline-block;"> <p>Your lifetime savings: <b>\$155</b></p> </div>	<p> <b>Your Provider:</b> Subscriber Co. <b>Project:</b> Seneca, NY</p> <hr/> <p><b>Your Environmental Impact:</b></p> <p> <b>10,000 lb</b> CO2 Emissions Saved</p> <p> <b>155</b> Equivalent Trees Planted</p>
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Questions about your community solar subscription? Contact Subscriber Co. by emailing [support@subscriberco.com](mailto:support@subscriberco.com) or calling **555-123-4567**