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May 6, 2022

#### **VIA ELECTRONIC MAIL**

Honorable Carmen Diaz Acting Secretary State of New Jersey Board of Public Utilities Post Office Box 350 Trenton, New Jersey 08625-0350

Re: I/M/O the Community Solar Energy Program Docket No. QO2203015

Dear Acting Secretary Diaz:

In response to the Board's Request for Comments dated April 11, 2022, in the above-referenced Docket, I attach Rockland Electric Company's written responses to questions regarding the design of the permanent Community Solar Energy Program. Please note that Rockland Electric Company is making this filing solely in electronic form pursuant to the Board's directive in its Emergency Order dated March 19, 2020 in BPU Docket No. EO20030254.

Please contact me if you have any questions regarding this filing.

Very truly yours,

/s/ John L. Carley

John L. Carley Associate General Counsel

May 6, 2022

On April 11, 2022, the New Jersey Board of Public Utilities ("Board") Staff issued a Notice seeking comments on the development of the design of the permanent Community Solar Energy Program ("Permanent Program"). Rockland Electric Company ("RECO" or the "Company") acknowledges the success of the Community Solar Energy Pilot Program and makes the following recommendations to build on that success by developing a Permanent Program that will encourage increased amounts of community solar installations while recognizing the importance of this program to low- and moderate-income ("LMI") customers who can benefit from this clean energy initiative. The Company's recommendations leverage its experience, through its affiliates, in other jurisdictions.

#### I. Program Design and Eligibility

1) The Solar Act of 2021 states that the new Successor Solar Incentive Program should aim to provide incentives for at least 150 MW of community solar facilities per year. How should the annual Permanent Program capacity limit account for potential project "scrub" (i.e., planned projects that do not reach commercial operation)?

**Response:** The Company recommends that the Board align the Permanent Program with an Electric Distribution Company ("EDC")-managed interconnection queue process. As discussed in more detail below in response to Question 5, RECO recommends that the Board work with the EDCs and stakeholders to establish a technology-neutral distributed energy resource ("DER") interconnection process. By adding queue management protocols, the review and approval process that begins with application submittal and ends in commercial operation will provide transparent guidelines and certainty to developers, EDCs, and the Board and its Staff.

Implementation of milestones and an EDC queue will align the community solar interconnection processes with non-community solar processes. Milestones could include payment of application and study fees, as well as the establishment of site control. Projects that do not meet the prescribed milestones will be removed from the queue and subsequent projects will automatically fill those queue spots.

The Board's review and approval process of community solar applications should be aligned with and complement the efficiencies and certainty achieved with an interconnection queue management process. To expedite a project's commercial operation, the Board should consider a more frequent and streamlined review and approval process, whether conducted twice a year,

<sup>&</sup>lt;sup>1</sup> See also the Company's comments in Docket No. QO21010085 In the Matter of New Jersey Grid Modernization / Interconnection Process filed March 22, 2022.

quarterly, or on a rolling basis. Projects that have to wait for an annual review and approval face the possibility of losing their position in the queue due to non-community solar projects moving forward on a faster timeline. A more frequent review will best complement an EDC-managed interconnection queue.

2) Should the Permanent Program capacity be divided into separate blocks, and if yes, how? (i.e., By EDC service territory? By project type or size)? Additionally, the Solar Act of 2021 requires the Board to consider "the economic and demographic characteristics of the area served by the facility, including whether it is located in an overburdened community[.]"1 How should any blocks address this requirement?

Response: Implementation of an EDC queue process, as discussed in the Company's response to Question 1 above and covered in more detail in the Company's response to Question 5 below, will negate the need for specific blocks of capacity to be allocated among the EDC service territories. Projects that submit applications can be placed in the queue in the order received and will remain there as long as they meet all milestones and deadlines. Subsequent applications may choose a different location because the first application would have site control. In addition, projects in the queue can be reflected on an EDC's hosting capacity map, thereby notifying subsequent applicants of available capacity. This may lead to more successful projects being built due to the increase in public information and associated process transparency. Moreover, applicants can review the available capacity in overburdened communities to aid in their decisions to pursue projects in such locations. Providing more certainty to applicants may increase the willingness of developers to site projects in these communities.

3) Staff intends to recommend similar qualifications and ownership restrictions for solar developers participating in the Permanent Program as were implemented in the Pilot Program. Please comment. 1 N.J.S.A. 48:3-116(c)(3).

Response: The Company recommends that the Permanent Program allow for EDC ownership of community solar projects. This approach aligns with section 5(f) of the Clean Energy Act (L. 2018, c. 17, effective May 23, 2018), which expressly states that the permanent Community Solar Program will include projects owned by the EDCs. The Board also noted in the February 2019 New Jersey Register that it welcomes further discussion on the role of EDC ownership in the permanent program. Leveraging EDC's experience owning and operating the distribution system, and experience in the interconnection of DERs and the subsequent impact of those DERs on the grid, supports EDC ownership as an important role in meeting New Jersey's clean energy goals. EDCs can leverage this experience to own and deploy renewable assets such as solar while enhancing grid resiliency, promoting clean energy adoption, increasing system efficiency, and building competitive markets. EDC ownership can be more cost-effective given the EDCs' lower cost of capital for financing such projects.

EDC ownership is particularly suited in circumstances where the Community Solar project is located on an EDC's property or serves customers on feeders where there may be a greater need for the resource. EDC ownership also is appropriate in circumstances where there are not

enough viable Community Solar projects to meet either the MW targets or the percent annual capacity set aside for LMI projects.<sup>2</sup>

4) What land use restrictions and limitations, if any, should apply to the siting of community solar projects? While Section 6 of the Solar Act of 2021 does not establish siting standards for Community Solar projects, should the Board adopt comparable standards be extended to also apply to community solar facilities? What should those standards look like?

**Response:** Application of the siting rules of Section 6 of the Solar Act of 2021 to community solar projects produces certainty to the developer community. Differing rules for various solar programs cause confusion which could translate into increased developer costs, as well as development delays. In addition, siting standards would be established by local municipalities, with possible oversight from the Board, the New Jersey Department of Environmental Protection, and other impacted agencies in order to prevent the municipal rules from becoming arbitrary.

5) The CEA states that the Permanent Program rules and regulations shall "establish standards, fees, and uniform procedures for solar energy projects to be connected to the distribution system of an electric public utility" (Section 5(f)(11)). What changes, if any, should be made to the existing community solar interconnection standards and processes?

**Response:** The Company recommends that the development of interconnection processes, standards, and procedures should be undertaken in the ongoing Grid Modernization Proceeding that is currently focused on interconnection processes. Establishing policies and processes in a single proceeding will result in a consistent, holistic approach to interconnection standards and policies that apply to all DERs, regardless of the compensation methodology or other program (*e.g.*, community solar, onsite solar) under which the project resides.

With regards to specific interconnection standards and procedures, RECO recommends that the following characteristics should be reflected:

- One set of rules for all DERs of a specific size, or size range, will produce certainty for developers, EDCs, and the Board and thereby encourage an increased amount of solar and deployment of other DERs.
- Interconnection procedures which include timelines and milestones should be set forth in standards and should not differ because of the compensation methodology applicable to the specific generation type.
- A fee structure for interconnection studies conducted both prior to application and after application (*e.g.*, technical review) should be established. Such a fee structure can help with interconnection queue management by encouraging applicants who have performed a meaningful level of due diligence as to their proposed project.

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<sup>&</sup>lt;sup>2</sup> N.J.A.C 14:8-9.4(e) establishes that "at least 40% of the annual capacity limit shall be allocated to LMI projects"

A requirement that applicants have site control early in the process. Site control and the
meeting of other established timeframes and milestone indicates that the applicant is
serious about moving the project forward and focuses EDCs, municipalities, and others to
devote time and resources on more viable projects which have evidenced a significant
potential to be energized.

In order that interconnection standards and requirements can evolve with changing state policy and new technology/processes, the Company recommends that ongoing policy and technical working groups be established to address and resolve novel issues and emerging challenges. These working groups also can make recommendations to the Board on issues involving technology advances within the solar and utility industry, metering, reporting, and periodic policy review.<sup>3</sup> Further, these working groups can identify issues and explore solutions to support the Permanent Program and broader clean energy development in New Jersey. These types of working groups have worked well in other jurisdictions – for example, RECO's parent company, Orange and Rockland Utilities, Inc. ("O&R"), participates in similar working groups in New York. Such working groups have updated processes and standards after fruitful discussions among utilities, industry, and state agencies, including the Staff of the Department of Public Service.

The proposed new rule provides that the EDCs shall, subject to review, be entitled for full cost recovery for incremental costs incurred for implementation, compliance, and administration. In addition to administrative costs that may be incurred, including for billing and technical review, the Company will also incur costs associated with computer software. For purposes of this section, these costs should be considered "incremental." To the extent the EDC bears the cost of electric distribution system upgrades to install Community Solar projects, these costs should likewise be considered "incremental" subject to full cost recovery. However, consistent with fundamental cost causation principles, it is the Company's position that DER interconnection costs should be borne by the developer.

#### 6) What measures should the Board implement to minimize negative impacts to the distribution system and maximize grid benefits?

**Response:** As discussed in its response to Question 5 above, the Company recommends the implementation of a standard interconnection process to study and process incoming applications. This standardization for all DERs, along with the use of hosting capacity maps, will help to minimize negative impacts to the distribution system,

#### **II. Project Selection**

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<sup>&</sup>lt;sup>3</sup> Such working groups may be able to address interconnection issues that are hampering a project's ability to meet the construction deadlines in the regulations, as long as those impediments are under the control of the working group participants (and not, for example, permitting issues controlled by a municipality).

7) How should projects be selected for participation in the Permanent Program? Please provide a detailed description and discussion of the advantages and disadvantages of your proposed method of selection, with an emphasis on establishing criteria that are transparent and easily verifiable.

**Response:** As recommended in the Company's responses to Questions 1, 2, and 5 above, projects should be placed in the queue at the time that the developer submits a completed application. Implementation of additional queue management processes will help to expedite the increased deployment of DERs while providing certainty to developers and applicants. Application and registration requirements, milestones, and timelines can support the installation of projects that are capable of reaching commercial operation within the timeframes set forth by the Board while providing a transparent status to other developers and applicants wishing to interconnect in the same area. The Permanent Program should include a streamlined and more frequent Board review and approval process that aligns with and supports a transparent and efficient EDC-managed interconnection process, as discussed in the Company's response to Question 1 above.

8) Should the Board consider creating a waitlist for non-selected projects? If yes, why would a waitlist support the continued development of community solar projects without increasing program oversubscription? How should this waiting list be implemented to avoid a situation where all capacity is spoken for months or years ahead of a solicitation?

**Response:** See the Company's responses to Question 1, 2, and 5 above. A more frequent and streamlined Board review and approval process may minimize the need for a waitlist and avoid perpetuating stagnant project applications that may not become commercially operational.

9) What minimum maturity requirements should projects be required to meet before applying to participate in the Permanent Program? To what extent should the Community Solar Energy Program maturity requirements be different from, or similar to, the requirements for projects to apply to the Administratively Determined Incentive ("ADI") Program?

**Response:** Projects participating in the Permanent Program should have site control (from the landowner) and appropriate permits prior to submitting an application to the EDC. In addition, the establishment of application fees and fees for studies will encourage the participation of applicants that have performed due diligence and made a good faith effort to determine whether the chosen site can accommodate the solar project. This should enhance the likelihood of a project reaching commercial operation. Once a project receives Board approval to participate in the Permanent Program, the project should be eligible for the ADI Program as discussed in the Company's response to Question 10 below.

10) Should the Board consider any changes to the coordination between community solar project awards and the process for registering for the ADI Program?

**Response:** Once a community solar project receives Board approval through the Permanent Program, the project should be eligible for the ADI Program, conditioned on submittal of a

completed application.<sup>4</sup> The MW capacity blocks for community solar that will be established each year under the ADI should become the MW blocks under the Permanent Program. This alignment will obviate the need for ADI program MW capacity blocks associated with community solar while providing certainty to approved Permanent Program projects that will receive SREC-IIs once they meet all administrative and Permission to Operate ("PTO") requirements.<sup>5</sup>

#### III. Low- and Moderate-Income Access

11) What policies and measures should the Board consider to ensure that the Permanent Program maintains a high level of low- to moderate-income ("LMI") participation? How can the Board support community outreach and education?

**Response**: It is crucial that the Permanent Community Solar program preserves opportunities for participation in solar by overburdened customers that would otherwise be unable to access clean generation directly. The typical barriers for LMI customer participation are poor customer creditworthiness which negatively impacts community solar hosts ability to secure financing and the lack of tailored marketing efforts to LMI customers. Although focused on energy efficiency programs, the Board could leverage *Utility Demographic and Firmographic Profile for New Jersey Utilities*<sup>6</sup> to assess recommendations to mitigate LMI participation barriers. Marketing efforts can leverage customer participation in other LMI programs including utility assistance programs (*e.g.*, LIHEAP, PAGE), rental assistance programs, and other support programs. The Board should collaborate with community organizations, and local leaders to provide outreach and messaging.

12) Should the Board modify the Pilot Program's income verification standards (see the Pilot Program rules at N.J.A.C. 14:8-9.8)? If so, how?

**Response:** The income verification standards should remain the responsibility of the subscriber organization.

13) How should the Board consider "the economic and demographic characteristics of the area served by the facility, including whether it is located in an overburdened community, as that term is defined in section 2 of P.L.2020, c.92"?<sup>7</sup>

**Response**: Including residential customers that reside in an overburdened community, as defined in section 2 of P.L.2020, c.92, as acceptable proof of LMI status would extend the benefits of community solar to more LMI residents.

<sup>&</sup>lt;sup>4</sup> NJAC 14:8-11.5

<sup>&</sup>lt;sup>5</sup> Id.

<sup>&</sup>lt;sup>6</sup> Utility Demographic and Firmographic Profile for New Jersey Utilities, by DNV-GL, April 2020 (pp. 18-20) at New Jersey Demographics Report.pdf (njcleanenergy.com)

<sup>&</sup>lt;sup>7</sup> N.J.S.A. 48:3-116(c)(3)

#### IV. Community Solar Subscribers

14) What should the geographic limitations for community solar projects and subscribers be (i.e., How far from the project can subscribers to the project reside)? For context, the Pilot Program allowed projects to self-select the geographic limits of the project. Projects could choose between three options: municipality and adjacent municipalities, county and adjacent counties, and no limit (EDC-wide).

**Response:** To reach the most customers and benefit the most ratepayers, the only geographic limitation should be that community solar subscribers be located within the same EDC service territory as the community solar project. If the Board establishes more stringent geographic limits, EDCs should only be required to verify if a subscriber is located within the EDC's territory.

15) The Pilot Program mandated that each community solar project must have a minimum of 10 subscribers, and a maximum of 250 subscribers per MW of installed capacity. Should either of these mandates be changed under the Permanent Program?

**Response:** The ten-subscriber minimum per project should remain. Permitting too few subscribers makes the project less like a community solar project and more akin to an onsite project that is sharing excess generation with a few other customers. This subscriber minimum encourages greater participation by customers who cannot install solar on their rooftops and offers more availability to LMI customers.

The subscriber maximum should be removed. Rather than instituting a cap based on a number of subscribers, the limit should focus on allocating generation / credits to subscribers in an amount that does not produce excess credit carryovers for a long period of time and / or that continues to increase and is never used up. A significant amount of credit carryover even after one year that has increased throughout the year should be prohibited.

RECO reiterates its comments on the Pilot Program that customers, such as public or private lighting customers, that are not billed on usage should be ineligible to be subscribers. Therefore, Section 14:8-9.6(e) should be revised to clarify that only customers on a rate class that is metered can be a subscriber. Further, allowing municipally owned street lighting to be a subscriber is contrary to the Board's purpose of "creating an opportunity for access to solar energy to consumers who have previously been excluded" (*e.g.*, customers who cannot place solar on their own property for various reasons, including, "because they are renters, have a shaded or unsuitable roof, or are unable to afford the upfront capital costs". RECO notes that its current electric tariff does not allow public street lighting or private overhead lighting to participate in net metering.

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<sup>&</sup>lt;sup>8</sup> Social Impact Statement.

<sup>&</sup>lt;sup>9</sup> Rider for Net Metering and Interconnection Standards for Class I Renewable Energy Systems.

#### 16) Should the Board make any modifications to the consumer protection measures implemented under the Pilot Program?

**Response:** The Company supports strong consumer protection measures and has no specific recommendations at this time.

17) In November 2020, the Board proposed a rule amendment to the Community Solar Energy Pilot Program rules, which would have allowed certain projects owned and operated by public entities to automatically enroll subscribers without first seeking subscribers' affirmative consent to join the project. Subscribers would then have the option to "opt-out" of the project should they not wish to participate. How can the Board best support subscriber education and acquisition? Should the Board revisit its automatic enrollment proposal, and if yes, how can automatic enrollment be implemented consistent with customer data privacy rights?

**Response:** RECO recommends that the authorization of an automatic enrollment program as part of the Permanent Program be deferred until the Board, in the statewide data access proceeding, <sup>10</sup> establishes rules regarding data sharing, customer consent, privacy standards, and security standards (including the requirement for the execution of a Data Security Agreement by third parties receiving customer data). Particularly important are rules surrounding the protection of sensitive customer data, such as LMI status. Developing such rules and standards in various proceedings rather than in the statewide Data Access Proceeding may result in a variety of inconsistent rules that are difficult for all parties to navigate, implement, and comply with.

After these rules and standards are implemented, the Board can move forward with developing processes and procedures for data transfer, outreach and education requirements, opt-out timelines, and other programmatic requirements. The rules must provide that each municipality implements cyber-security measures necessary to receive and store sensitive customer data provided by the EDCs and prevent the inadvertent disclosure of that data. These automatic enrollment program-specific rules should be developed via a working group of Board Staff, the EDCs and interested stakeholders so that processes can be vetted based on industry need and the feasibility of developing implementable rules in a timely manner. Lessons learned from the Government Energy Aggregation program, as well as similar automatic enrollment (or opt-out) programs in other jurisdictions, can inform the development of a meaningful and feasible program in New Jersey.

Further, current New Jersey law mandates that public utilities obtain customer consent before disclosing historic billing usage data.<sup>11</sup> It is unclear whether an automatic enrollment program

<sup>&</sup>lt;sup>10</sup> Docket No. EO20110716 Straw Proposal On Advanced Metering Infrastructure (AMI) Data Transparency, Privacy & Billing ("Data Access Proceeding")

<sup>&</sup>lt;sup>11</sup> "Except as provided in paragraph (2) of this subsection, an electric power supplier, a gas supplier, an electric public utility, and a gas public utility shall not disclose, sell, or transfer individual proprietary information, including, but not limited to, a customer's name, address, telephone number, energy usage, and electric power payment history, to a third party without the consent of the customer." N.J.S.A. 48:3-85(b)(1).

intends to eliminate this customer consent requirement. If the intent is to eliminate the customer consent requirement, it is likely necessary for the State legislature to amend N.J.S.A. 48:3-85(b)(2) to provide an exemption and permit the EDCs to provide the historical billing data without the consent of the customer in this instance. If the intent is <u>not</u> to eliminate the customer consent requirement, the municipality will need to obtain its residents' consent (and provide such evidence to the EDCs) before the EDCs can provide the historical billing data.

Outreach and education play a critical role in a successful automatic enrollment program. The Board can take an active role by informing all New Jersey residents of the mechanics of an automatic enrollment program. More importantly, the Board should require sufficient outreach and education be conducted by the municipality and the program administrator at specified intervals and establish minimum standards and information that must be communicated to both municipalities and their residents.

#### V. Community Solar Bill Credits

18) If applicable, please discuss your experience with subscriber management and the allocation of community solar bill credits. What changes, if any, should be made to communications between community solar subscriber organizations and the EDCs, or to the allocation of bill credits by the EDCs?

**Response**: Although RECO does not have any active projects in its service territory, there are more than a dozen community solar projects energized in O&R's service territory. The process implemented and managed by O&R in New York works and can be leveraged in New Jersey. Project administrators/hosts are responsible for providing monthly allocation forms to the EDC with subscriber account number, allocation percentage, and any specific host bank allocation within a prescribed amount of time. RECO recommends that an initial allocation form be provided 60 days prior to PTO and subsequent allocation forms be provided 30 days prior to the project bill date to which it is effective. Project administrators are responsible for providing timely updates to the initial form if a proposed subscriber is not eligible (*e.g.*, finaled account). EDCs provide project administrators with subscriber-level and project-level information on a monthly basis, so that project administrators can manage their subscriber base.

RECO's interconnection online application portal, which is used to receive interconnection applications and communicate with developers, will be used to accept and correspond with project hosts/administrators. O&R has used this same portal successfully for years to transfer allocation data and related reports between the utility and the host/administrator.

#### 19) What modifications, if any, should the Board consider making to the value of the community solar bill credits?

**Response:** RECO recommends that the list of non-bypassable charges that cannot be offset by community solar credits be expanded to include the Regional Greenhouse Gas Initiative surcharge so that customers that participate in clean energy initiatives also support those

initiatives. In addition, RECO reiterates its recommendation that lighting customers be excluded from eligibility as a community solar subscriber as discussed in the Company's response to Question 15 above. Further, projects should be encouraged to allocate generation to subscribers to avoid producing large carryover credits that increase throughout the annual period.

20) In May 2021, following an opportunity for public comment, the EDCs submitted a report to the Board with options and recommendations regarding the implementation of consolidated billing for community solar. In summary, the EDCs recommend that, if the Board adopts consolidated billing for community solar projects, this billing process be handled by the EDCs. The EDCs further recommended that the method of reflecting subscription fees on a subscriber's EDC bill be determined by each EDC based on the format that best corresponds to their existing billing practices. The EDCs did not recommend that the Board allow non-EDC billing options. Do you agree with the EDCs' recommendations? If not, why? How do you recommend the Board address payment default by customers?

**Response:** RECO recommends that the Board authorize a net crediting model for billing of community solar subscription fees if the Board adopts consolidated billing of community solar fees. <sup>12</sup> The net crediting model has been adopted in New York and O&R is billing numerous projects using this methodology. The net crediting model offers many benefits such as a guaranteed savings to the subscriber (the Board can set the minimum amount of savings so that subscribers receive a meaningful benefit), and minimizes the risk of non-payment of subscriber fees.

Under a net crediting model, subscribers would receive a credit on their electric utility bill for the net amount of their community solar credit less their community solar Subscription Fee. The net credit applied to a subscriber's bill is calculated by multiplying the community solar Savings Rate by the amount of the community solar Applied Credit.<sup>13</sup> Community solar subscribers are guaranteed savings each month from their participation in a community solar project under the net crediting model. Because of the guaranteed savings, the subscriber's bill will not increase due to participation in a community solar project. This is especially important for low- to moderate-income customers. The subscription fee will never exceed the amount of the community solar credit that can be applied to a subscriber's bill.

The net crediting model does not impact the total credit received by the customer each billing period. Rather, it simplifies a subscriber's participation in community solar by minimizing the number of payments made each month from two (utility and community solar provider) to one (utility). Because the underlying bill credit is not impacted, the EDC would recover the full amount of community solar credit applied to a subscriber's bill (*i.e.*, the amount recovered via the RGGI surcharge is not impacted by net crediting). This leaves all parties in the same

<sup>&</sup>lt;sup>12</sup> A more complete discussion of the New York Net Crediting Model can be found in the Consolidated Billing Report prepared by the EDCs and filed in Docket No. QO1860646 (May 28, 2021).

<sup>&</sup>lt;sup>13</sup> The Applied Credit is equal to the portion of the Allocated Credit that offsets the eligible charges on a community solar subscriber's electric service bill each billing period, prior to application of any net crediting rules. The Allocated Credit is the amount of kWh generation allocated to a subscriber for the bill period plus any kWh carryover on the subscriber's account multiplied by the applicable community solar credit rate.

financial position regardless of the implementation of consolidated billing while easing the administrative burden on subscribers and community solar hosts. In addition, payment of community solar subscription fees is not dependent on a subscriber's payment of its utility bill. Because of this, hosts may be more likely to enroll subscribers without regard to their credit history or other factors that may limit marketing to certain customers.

The EDCs are in the best position to develop and offer this billing program as compared to any other potential billing entity. Each EDC maintains a robust billing system developed over many years to handle consolidated billing for customers purchasing their electricity supply through BGS or via a third-party supplier EDC-issued bills include monthly account fees, distribution, transmission, and generation charges, applicable surcharges, and taxes. Each EDC has also established the back-office capability to prepare and issue bills; quickly and efficiently process payments; and properly track and account for customer payments. If third-party consolidated billing is approved by the Board, the EDCs will continue to maintain their current billing and related systems in order to collect and store meter reading data, calculate all electricity-related charges, and bill those customers that do not participate in community solar.

The EDCs are responsible for following all of the termination for non-payment rules established by the Board. A third party that bills and collects payments on behalf of an EDC would need to coordinate closely with the EDC so that customers who are late in payments are offered the safeguards afforded them by the law and regulations. In addition, a third-party consolidated billing entity would need to be financially sound and provide assurances to the Board and satisfactory collateral to the EDCs to guaranty that the EDC will receive the monies due to it in the event of the third party's bankruptcy or financial distress. Full and timely payment to the EDC is critical to the safe and reliable operation of the electric distribution system. Both of these processes would require careful regulatory oversight from the Board.

The Board has numerous regulations governing the customer billing process, as well as critical customer protection standards to which the regulated EDCs must adhere. Third-party billing entities are not currently held to these same standards. Additional legislation and further agency rulemaking and licensing of such billing entities may be necessary to protect consumers and the public interest.

#### Conclusion

The Company looks forward to continue working with Board Staff and other third parties on the furtherance of community solar and to contribute to the design and implementation of the Permanent Program.