

December 2, 2019

TO:

Honorable Hon. Michelle L. Phillips, Acting Secretary to the Commission
New York State Public Service Commission
Empire State Plaza, Agency Building 3
Albany, NY 12223-1350
Email: secretary@dps.ny.gov

FROM:

Shyam Mehta
Executive Director
New York Solar Energy Industries Association
Ph: 510-229-8663
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RE:

- Case 19-M-0463 – In the Matter of Consolidated Billing for Distributed Energy Resources

Dear Secretary Phillips,

Please find the comments of the New York Solar Energy Industries Association (NYSEIA) regarding the *Verified Petition to Implement Community Distributed Generation Platform* (“Petition”) submitted by National Grid on September 11, 2019, in the above referenced case.

/s/ Shyam Mehta

Shyam Mehta
Executive Director
New York Solar Energy Industries Association (NYSEIA)

1. Background

NYSEIA submitted joint comments on September 3, 2019, with Alliance for Clean Energy New York, Coalition for Community Solar Access, Natural Resources Defense Council, Renewable Energy Long Island, Solar Energy Industries Association and Vote Solar (referred to as the “Clean Energy Parties,” or “CEP”) in response to the *Notice Seeking Comments Regarding Consolidated Billing for Community Distributed Generation* (“the Notice”). CEP expressed support for implementing Utility Consolidated Billing with Purchase of Receivables (“UCB-POR”) as an option for CDG providers if implemented properly with a reasonable fee structure and in a transparent, easy-to-understand customer interface.

The Joint Utilities (“JUs”), including National Grid, also submitted comments on Sept. 3, 2019, in response to the Notice, expressing reservations about UCB-POR because of what they said would be the time, effort and expense required to implement it. Instead, the JUs proposed a “Net Crediting Model” (“NCM”) as “a simpler and preferred alternative to consolidated billing.” National Grid subsequently filed the Petition to implement a Community Distributed Generation Platform (“CDG-P”) program. The CDG-P consists of two elements: (a) Platform 1 - Net Credit Allocation (“NCA”), which relies on the JU-proposed NCM, and (b) Platform 2 - Customer Acquisition and Turnover Management service.

Overall, NYSEIA is supportive of integrated billing approaches that can provide direct and equitable benefits to CDG customers, CDG providers, and that can help the state achieve its clean energy and equity goals by enabling more CDG development at lower cost. NYSEIA sees potential value in a net crediting approach as outlined in Platform 1; however, we strongly recommend that details on pricing, bill presentation, access to data, and non-discrimination protections should be addressed through a robust stakeholder process involving input from CDG providers prior to Platform 1 implementation. NYSEIA opposes Platform 2 as written and proposed, and recommends that the Commission thoroughly address the broad range of issues and ramifications it encompasses.

2. National Grid Proposal Platform 1 - Net Credit Allocation

National Grid’s Platform 1 proposal for NCA is consistent with the Commission’s Phase 1 Order, which identified consolidated billing as “an important opportunity to reduce soft costs associated with CDG.”¹ The benefits, if implemented properly and with a reasonable fee, also appear to be consistent with those outlined in our Sept. 3, 2019, comments supporting UCB-POR as an option. The benefits include:

- i. Lowering soft costs associated with CDG project development and operation;
- ii. Providing an enhanced customer experience for residential customers who prefer a single consolidated energy bill;
- iii. Increasing CDG participation by removing substantial participation barriers, including credit history.

¹ See CASE 15-E-0751 *Order on Phase One Value of Distributed Energy Resources Implementation Proposals, Cost Mitigation Issues and Related Matters*, p. 48, September 14, 2017.

Overall, NYSEIA supports streamlined billing approaches that can provide direct and equitable benefits to CDG customers, CDG providers, and that can help the state achieve its clean energy and equity goals by enabling more CDG development at lower cost. However, while NYSEIA sees potential value in a net crediting approach as outlined in Platform 1, we believe National Grid must provide additional detail and rationale for its proposals regarding pricing, bill presentation, access to data, and non-discrimination protections and recommend that these issues be addressed through a robust stakeholder process involving input from CDG providers prior to Platform 1 implementation.

3. National Grid Proposal Platform 2 - Customer Acquisition and Turnover Management

NYSEIA appreciates National Grid's endeavors at innovation in line with the REV model of the utility as a platform service provider, as described above in the discussion of Platform 1. NYSEIA also strongly supports the goals of increasing market efficiency and reducing the soft costs associated with CDG development. However, NYSEIA opposes, as written, National Grid's proposal to own and operate customer acquisition and turnover management services, which raises a number of important issues and concerns:

- i. The CDG industry is reliant on utilities in several ways in order to offer its product. CDG project owners must apply to the utility for a Community Credit allocation, seek interconnection approval, and rely on the utility to provide accurate and timely CDG bill credits on customers' utility bills. A utility directly competing with CDG providers in this space raises the concern that utilities could show preferential treatment to developers or asset owners who choose to use their services over those of private companies that do not opt into Platform 2.
- ii. Product and service differentiation is critical to the evolution of the CDG industry and meeting customers' preferences. Platform 2 effectively creates a default National Grid-branded program with a standard discount, single-product offering that could stifle the competition that has propelled the development of a robust CDG industry in New York and other markets. National Grid's entry into customer acquisition and turnover management could give it an unfair advantage, ultimately stifling competition and innovation in the market.
- iii. Utility competition with CDG providers also creates concerns regarding the existence of a "level playing field", or a truly competitive market in this domain. For instance, customers' electric usage data is required to accurately size a customer's subscription. Utilities have exclusive control over this data. Due to the lack of implementation of effective data exchange mechanisms by the utilities, getting customer usage data from utilities can already be challenging for private companies, while utilities have this data readily available.
- iv. National Grid asserts its entry into the market is needed "to address perceived market inefficiencies to CDG development." There exists a robust community of CDG Subscriber Organizations that offer and perform customer acquisition and management services and have been doing so for years in New York and elsewhere.

Electric Distribution Companies (EDCs) such as National Grid generally lack the expertise and experience to engage with consumers in the way that existing market participants can and are ill-equipped to educate them on Community Solar. Further, EDCs are typically not viewed as innovators offering solutions their customers desire, unless ordered to do so, and customer acquisition and management is outside their core business function and model.

NYSEIA hopes that the information provided herein is helpful as the Commission deliberates these issues, and thanks the Commission for the opportunity to provide comments.

Respectfully,

/s/ Shyam Mehta

Shyam Mehta

Executive Director, New York Solar Energy Industries Association (NYSEIA)