Community Distributed Generation Performance Metrics and Negative Revenue Adjustments

An Industry Proposal to Improve Customer Experience and Advance New York’s Clean Energy and Equity Goals

April 2023

About Us

Founded in 1994, New York Solar Energy Industries Association (NYSEIA) is the only statewide membership and trade association dedicated solely to advancing solar energy use in New York State. NYSEIA proudly represents hundreds of businesses across New York that employ thousands of workers throughout the solar value chain. Led by its active board of directors, NYSEIA strives to achieve significant, long-term, and sustainable growth of solar energy for New York State.

Coalition for Community Solar Access (CCSA) is a national trade association representing more than 100 community solar companies, businesses, and nonprofits working to expand customer choice and access to solar for all American households and businesses through community solar. We work with customers, utilities, local stakeholders, and policymakers to develop and implement policies and best practices that ensure highly successful community solar programs that champion the energy customer.

Acknowledgements

This proposal was developed by the NYSEIA/CCSA Negative Revenue Adjustment (NRA) Working Group with input from dozens of clean energy companies that operate in New York State. We would like to thank the New York Public Service Commission, New York State Energy Research and Development Authority (NYSERDA), and the Department of Public Service for their steadfast commitment to working with the industry to improve CDG Billing & Crediting. We would also like to acknowledge the NRA Working Group members for their significant contributions to this proposal, including Austin Perea and Orly Mansbach (Arcadia), Louise Gava (Joule Community Power), Aviv Shalgi (Solar Simplified), Lindsay Griffin (Vote Solar), Nicholas Bihun and Carolyn Dykema (Nexamp), Isabelle Graj (Ecogy Solar), Chris Stroud (Sol Real Group / Ciprani Energy). Trade association staff contributors include Kate Daniel (CCSA), Noah Ginsburg and Jonathan Cohen (NYSEIA), and Valessa Souter-Kline (SEIA). If you have questions about this proposal, please contact kate@communitysolaraccess.org or noah@nyseia.org.

Table of Contents

Introduction

Community Distributed Generation (CDG) is an important tool for New York to achieve its ambitious clean energy and equity goals. In addition to favorable interconnection, siting, and solar compensation policies, timely and accurate utility billing, crediting, and customer service are foundation to a successful community solar program. Despite years of visibility into the pipeline of CDG project development, New York's Investor-Owned Utilities (IOUs) did not make the necessary technology investments or staffing decisions to provide an acceptable level of service to CDG customers and developers, resulting in significant CDG billing errors and delays, particularly over the last two years. These utility billing and crediting issues have negatively impacted New York's community solar market. While CDG developers are experiencing significant financial impacts due to crediting delays and errors, the impact of greatest concern is the customer experience; community solar customers, including low-income households, are not receiving their promised utility bill savings, eroding trust in New York's community solar program.

The New York Solar Energy Industries Association (NYSEIA) / Coalition for Community Solar Access (CCSA) Negative Revenue Adjustment (NRA) Working Group was initiated to provide industry support and input on the development of performance metrics and associated Negative Revenue Adjustments (NRA) intended to incentivize the utilities to reduce billing and crediting issues for the CDG program. The NRA Working Group is firmly in support of the Public Service Commission's Order to initiate a stakeholder conference to establish CDG billing performance metrics and directing stakeholders to propose NRAs tied to such metrics. This Working Group believes that well-designed metrics are important to achieve consensus and clarity around the utilities' performance serving CDG customers, and the NRA is the appropriate mechanism to encourage improved performance.

Billing and crediting errors and delays affect CDG projects and customers/subscribers in several ways. At a minimum, these issues lead to customer dissatisfaction that tarnishes the customer's experience with the program. At its most extreme, billing and crediting issues can lead to customers missing several months of utility bills, and then receiving multiple months of credits on a single bill or multiple months of bills within the same month – oftentimes resulting in customers receiving higher and/or less predictable electricity bills. This scenario undermines the core value proposition of enrolling in community solar, which is receiving guaranteed bill savings through participation in a local clean energy project. Utility billing and crediting errors result in subscriber disenrollment, requiring the CDG developer to incur costs to re-acquire customers while making future customer acquisition more challenging due to the reputational damage.

The NRA Working Group is proposing performance metrics and NRAs designed to improve customer experience while ensuring that New York remains the nation's leading CDG market. Proposed metrics and NRAs seek to ensure that the IOUs reliably provide:

- ✓ Timely allocation of credits to customer bills on a monthly basis;
- ✓ Accurate allocation and application of credits to customer bills;
- ✓ Appropriate customer service and accurate information to CDG customers;

- ✓ Timely processing of CDG Host reports;
- ✓ Accurate processing of CDG Host reports;
- ✓ Accurate reflection of the time period when credits are generated;
- ✓ Accurate reflection of the time period when credits are applied to a customer bill;
- ✓ Accurate reflection of banked credits as a discrete line item; and
- ✓ Regular and detailed reporting on CDG credit allocation.

Finally, we recommend that CDG customers negatively affected by utility billing and crediting issues (and particularly customers who do not receive a monthly credit when they are owed that credit) be compensated via a Remedial Credit mechanism. This proposed $50 Remedial Credit would be additional to their CDG Credit and is designed to compensate the customer – in real time – for instances of utility underperformance that may cause the customer to leave their CDG project.

Customer Service Performance Indicators as the Foundation of the NRA Working Group's Proposal

When considering the development of NRAs, the NRA Working Group (NRA WG) referenced New York's Customer Service Performance Indicators (CSPIs) as a foundation to build upon. CDG billing and crediting issues are directly linked to utility customer service and are therefore directly relevant to the development of CDG billing and crediting NRAs.

As the CSPI process illustrates, performance metrics are an essential feature of any NRA regime. The CSPIs are "a standardized set of customer service performance measures reported monthly by all major investor-owned utilities"[1] and are the first step to assigning revenue adjustments. Using the CSPI as a template, the utilities must first be responsible for implementing systems that enable them to track and report on metrics for billing and crediting to establish a performance baseline. Moreover, it's worth noting that the process for developing the CSPI Metrics (Metrics Order) was a rigorous process that required an audit of available data by the Department of Public Service (DPS). The NRA WG also recommends a DPS audit of the data that the utility uses to report on their CDG Performance Metrics.

While many of the CSPI metrics themselves are not relevant to CDG-specific billing and crediting, some indicators, such as the Adjusted and Estimated Bills metric, are relevant to billing and crediting and may be a helpful reference point for DPS when establishing targets. For instance, KEDNY and KEDLI (the National Grid gas delivery utilities) are required to report on the share of adjusted bills relative to a DPS mandated Adjusted Bill target (currently at 1.6%). Such a metric could be applicable to CDG billing and crediting issues (i.e. the share of delayed or adjusted bill

[1] Case 21-M - 0046, <u>In the Matter of the 2020 Utility Customer Service Quality Performance,</u> 2020 Annual Customer Service Performance Report.

credits). The NRA WG proposes that DPS consider the following CDG-specific Performance Metrics:

- CDG Credit Allocation Timeline
- CDG Credit Accuracy Metric
- CDG Customer Complaint Rate
- Satellite Banked Credit Accuracy Metric
- DER Supplier Host Communication Response Rate
- Host Reports Metric
- Credit Reports Metric

Tracking these metrics will be necessary to implement any NRA. Indeed, the CSPM first issued the "Metrics Order"[2] in Case 15-M-0566 to establish the baseline requirements for data tracking for the CSPM in order to assess penalties. A similar Metrics Order for CDG Billing and Crediting should include a stakeholder proceeding to determine a comprehensive survey of all the metrics required.

CDG Billing and Crediting Data Requirements

Data is the foundation of any Performance Metric and associated NRA. Accordingly, our proposal will require comprehensive reporting by the utility. For the associated metrics, we propose that the utility track these data on a monthly basis for filing of quarterly reports on these metrics. Reports should be filed in Case 15-E-0082 within 30-days of the close of the quarter.

The following data are items that the Joint Utilities have already identified as reportable data in their NRA Proposal. Vitally, the JU's proposed reporting requirement, and the associated Performance Metric, aligns with what the NRA WG has proposed under Performance Metric #1 (CDG Credit Allocation Timeline). The NRA Working Group supports the requirement for the utilities to report the following data:

The Joint Utilities propose to report the following information regarding each company's CDG VDER billing and crediting performance on a quarterly basis, 30 days after the end of each calendar quarter:

- *The total number of CDG VDER projects each month of the reporting period*
- *The number of CDG VDER projects for which the company generated credits each month of the reporting period*
- *The total number of CDG VDER subscribers each month of the reporting period*
- *The total dollar value of CDG VDER credits generated each month of the reporting period*

[2] Case 15-M-0566 – <u>In the Matter of Revisions to Customer Service Performance Indicators Applicable to Gas and Electric Corporations,</u> Order Adopting Revisions to Customer Service Reporting Metrics (issued August 4, 2017), (pp. 20) (Metrics Order).

- *For the entire reporting period, the percentage of CDG VDER credits that were applied to satellite bills within two billing cycles*
- *Data for up to the four most recent quarters will be provided with each update*

CDG Billing Performance Metrics

The NRA WG has identified seven performance metrics that are necessary to assess the utilities' performance on CDG billing and crediting and to ensure that customers receive the full value of their CDG subscription. Although each metric plays an important and unique role, the Working Group has identified three priority Performance Metrics (PMs #1 through #3) that are of critical importance and should be implemented with urgency. These metrics will provide the incentives to ensure that customers receive the correct amount of CDG credits in the correct time period (every month), as well as professional and appropriate customer service from the utilities.

The Working Group recommends that the utilities begin reporting on these three metrics immediately and that NRAs be assessed as soon as possible following Public Service Commission (PSC) Approval. We recommend an implementation timeline of no more than three months from the date of the order. The Working Group is amenable to phasing in the rest of the proposed Performance Metrics so that reporting begins immediately for all metrics, but assessment of NRAs on metrics #4 through #7 may be implemented at a later date. The Working Group suggests that DPS conduct an annual review of the data collected through the performance metrics and assess whether adjustments to the NRAs are appropriate in order to improve utility performance. The first annual review will be an opportunity to review Performance Metrics #4 through #7 and apply an NRA for these metrics if the utilities are not meeting the established benchmarks.

The Working Group also recommends implementing these metrics in two tiers: Tier 1 for Pre-Automation and Tier 2 for Post-Automation. The intent of the tiered approach is to recognize that the current manual billing processes result in higher billing and crediting errors, and therefore a slightly higher tolerance for errors should be granted until billing automation is implemented. By the utilities' own admission, billing and crediting errors should be dramatically reduced if not entirely eliminated after automation.

This proposal outlines the following for each Performance Metric:

- The specific problem the proposed Metric addresses
- A proposed definition for the Performance Metric
- A Proposed NRA Standard, or threshold beyond which a penalty should be assessed
- Data requirements for reporting on the Metric
- Example scenarios to provide additional clarity, as necessary
- Any applicable precedent from comparable CSPIs

Performance Metric #1: CDG Credit Allocation Timeline

Problem: This metric is designed to address the *timeliness* of CDG credit (and subscription fee) allocation, and specifically the issue of utilities not allocating CDG credits to customers on a monthly basis. One example of this is instances of multi-month crediting, where the utility applies multiple months of credits on a single bill.

Definition*:* The percentage of CDG customers that are allocated CDG credits and fees within one billing cycle of those CDG credits being generated. Each IOU shall report this metric on a monthly basis across all eligible CDG subscribers within that utility's respective territory.

The CDG Credit Allocation Timeline cycle commences once the applicable data is generated, i.e. the utility has all the data necessary to allocate CDG credits and fees to the satellite customer. This data should include the allocation file (either initial allocation or most recently submitted by the Host/DER Provider) and the monthly host meter read.

Proposed NRA Standard*:* The NRA Working Group proposes that the utility has up to one billing cycle of the project to allocate CDG credits to a customer after the point the utility has all the data needed to allocate a CDG credit (i.e. host report and a satellite read, actual or estimated). Because it is essential that CDG credits are applied on a monthly basis – a CDG credit applied two billing cycles after it's generated is a dereliction of the utility's duty to bill their customers in an accurate and timely manner – it is necessary that this Metric also be tracked **and assessed** on a monthly basis.[3]

The NRA Working Group recommends that a monthly NRA be assessed if more than 0.2% of CDG customers are not allocated a credit in the applicable reporting period, the sum of which would be added up across the entirety of the reporting period. 0.2% may sound like a small error tolerance, but 0.2% of CDG customers currently represents approximately 267 households, and we anticipate that this number will continue to grow. The NRA Working Group recommends a high NRA standard to ensure that CDG billing and crediting errors do not negatively impact

[3] The Working Group notes that the Joint Utilities have proposed a similar Performance Metric that would grant them two months to allocate credits, based on the September 2017 Phase One Order which states, "CDG members receive credits on their bills as soon as practicable following the end of the billing cycle for the account on which the DER is metered. Each utility must either use a process that ensures that each CDG member receives his or her credits no more than two months following the end of the billing cycle for the account on which the DER is metered". The Working Group finds that while two months may have been "as soon as practicable" in 2017, there is no technical reason why in the present day, and particularly with automated billing, the utilities should not be able to allocate CDG credits within one month of the end of the billing cycle. The Working Group does not believe it is necessary to base the Performance Metric on the 2017 order timeline, but would also support a Petition to Revise the 2017 Order if the Joint Utilities or other parties feel they must be aligned.

hundreds, and eventually thousands, of CDG customers without consequence. The proposed monthly approach to the NRA assessment ensures that this metric captures both frequency *and* severity of crediting errors. For example, a customer who does not receive credits for five billing cycles in a row will consistently show up as non-compliant with the Metric for five reporting periods and thus continue to count toward the Metric until they receive their CDG credit.

% of CDG customers with late credit allocations	Basis Points at Risk Pre-Automation	Basis Points at Risk Post-Automation
<0.2%	x BP	2x BP
>0.2%	y BP	2y BP
>0.3%	z BP	2z BP
>0.4%	a BP	2a BP

Example:
Project ABC Solar is already interconnected. The host meter read date is on 03/01/2023 and the subsequent meter read date is 03/31/2023 (assumed project under billing cycle #2 under National Grid's 2023 schedule). Per the utility tariff, updated allocation files must be submitted up to 30 days before the meter read date, i.e. 1/30/2023 (30 days before 03/01/2023). Once the Host has submitted an allocation file prior to 1/30/2023 to be processed for the March cycle above (meter read date of 03/01/2023), then by the next meter read date (03/31/2023) all CDG Credits that were generated for the 03/01/2023 meter read date should all be allocated to the respective satellite accounts according to the allocation file percentage (either banked or on bill).

Data Requirements for Performance Metric #1:
The data required to report and evaluate PM #1 are the same as outlined in Section III as included in the Joint Utilities' proposal for their performance metric.

Performance Metric #2: CDG Transfer Credit Metric

Problem: This Metric is designed to address the *accuracy* of the credits transferred to a customer. To do this, the utilities must track and measure, on a customer basis, the delta between the credit value on the host report and that of the value that is transferred to the customer's account. The value that is transferred to the customer shall include credit amount applied to the customer's monthly energy consumption in addition to any credit amount that is banked. This Metric shall contain two components:

a) Inaccurate Credit Transfer *Instances*
b) Inaccurate Credit Transfer *Accuracy*

Definition*:* The CDG Transfer Credit Accuracy Metric shall require the utility to report on multiple sets of data. First, the utility must actively track the "Transfer Credit", "Applied Credit", and "Monthly Applicable Banked Credit" wherein:

Transfer Credit Accuracy = Transfer Credit – (Applied Credit + Month's Applicable Banked Credit Amount)

Transfer Credit = Applied Credit + Month's Applicable Banked Credit Amount

The "Applied Credit" shall be the highest CDG credit value the customer's electricity bill will accommodate for that month based on the customer's consumption. The "Applied Credit" value on the Host Report shall equal the CDG Credit that appears on the customer's bill.

The "Transfer Credit" is defined as the customer's monthly allocation x monthly production of the system.

Thereafter, the utility must track and report on the delta between a) the "Transfer Credit" and b) the sum of the "Applied Credit" and that month's applicable banked credit amount. Doing so will permit the utility to track both the number of instances of inaccurate credit transfers and the severity of inaccurate credit transfers.

Proposed NRA Standard: The NYSEIA NRA Working Group proposes two NRAs for the CDG Credit Accuracy Metric.

a) **Inaccurate Credit Transfer Instances:** This NRA shall be based on the % of accounts that have an inaccurate credit transfer. An "Inaccurate Credit Transfer" will be defined as an instance in which a single customer receives an inaccurate credit transfer in excess of 3%. If more than 0.2% of CDG customers are credited inaccurately (i.e. experience more than 3% difference between their Transfer Credit and what's transferred to their account), an NRA is assessed. The NRA shall increase with the share of CDG accounts with an inaccurate credit transfer.

Inaccurate Credit Transfer Instances

% of CDG Accounts with Inaccurate Credit Transfer	Basis Points at Risk Pre-Automation	Basis Points at Risk Post-Automation
<0.2%	x BP	2x BP
>0.3%	y BP	2y BP
>0.4%	z BP	2z BP
>0.5%	a BP	2a BP

b) **Inaccurate Credit Transfer Accuracy:** This NRA shall be based on the total value of the credit transfer inaccuracy on a monetary basis across all customers for a utility territory. If the CDG Transfer Credit Accuracy Metric exceeds 5% of the total monetary value of CDG Credits for the applicable reporting period, a penalty will be assessed.

Inaccurate Credit Transfer Accuracy

Transfer Credit Delta	Basis Points at Risk Pre-Automation	Basis Points at Risk Post-Automation
<5%	x BP	2x BP
5-10%	y BP	2y BP
10-20%	z BP	2z BP
>20%	a BP	2a BP

Example:

Satellite Account Number 12345678 was allocated 1% of Solar Project ABC's generation for a particular month. That month, the project generated $100,000 of VDER Credits, meaning that this account should receive $1,000 on their next statement, unless the full amount owed on the bill is lower than $1,000. If so, then the remaining credit balance should go to their satellite bank.

1. If satellite 12345678 had a bill of $1,200, they would receive $1,000 of VDER Credits, reducing their utility bill to $200 (if on dual billing) or $1,100 (if on Net Crediting with a 10% discount - $100).
2. If satellite 12345678 had a bill of only $800, they would receive $800 of VDER Credits, covering their full bill, reducing their utility bill to $0 (if on dual billing) or $720 (if on Net

Crediting with a 10% discount - $80). They would also bank the remaining $200 to apply to a future bill.

If the utility hasn't transferred the full $1,000 of VDER Credits to the satellite, regardless of whether they were applied to a satellite's bill or banked for future bills (i.e. the utility had only transferred a partial amount or no credits at all), this customer would count against the Metric.

Data Requirements for Performance Metric #2:
In addition to all of the data requirements for Performance Metric #1, which are also necessary to calculate Performance Metric #2, the utility will be required to report on the following data:

- Transfer Credit on Final Host Report/Credit Report
- Applied Credit amount counted toward a customer's electricity usage *as seen on the customer's utility account bill*[4]
- Initial Month's Applicable Banked Credit Amount, which changes on a monthly basis depending on how much of the credit is consumed vs. applied to the customer's credit bank; and Final Month's Applicable Banked Credit Amount.
    - *For reference, in National Grid these fields are referred to as "Prior Month Sat Bank" and "Carry Over", respectively. In NYSEG, these fields are "Previous Credit" and "Credits to be Banked", respectively.*
- Satellite Bill Amount, provided in the Host Report (not currently provided by all utilities)

Performance Metric #3: CDG Customer Complaint Rate

Problem: The existing Customer Service Performance Indicator (CSPI) is not adequate to capture customer complaints related to CDG billing and crediting. The existing CSPI "PSC Complaint Rate" is set at an annual average monthly number of residential PSC complaints per 100,000 customers. These targets are set assuming a total of a minimum of 100,000 potentially impacted customers. Given that customers participating in CDG represent only a portion of the total customers served by the utility, there needs to be a lower target for complaint rate proportional to number of CDG customers.

The purpose of this performance metric is to ensure good customer service for CDG customers by the utility. The utilities themselves present justification for separate tracking of CDG customer complaints. NYSEG and RG&E simultaneously submitted the results of their 2022 customer

[4] This data requirement could be satisfied via the utility or third-party with customer electricity bill access. Arcadia, for example, has access to the customer's utility bill, which is how NYSEIA/CCSA are aware of the discrepancies between the host/credit reports and the values that appear on the customer's utility bill.

service performance and a petition for the waiver of the customer service metrics and associated negative revenue adjustments[5]. The utilities included as justification for this waiver "numerous factors outside the Companies' control in 2022, including: increased call volumes due to CDG program increases." NYSEG and RG&E state that the 54.9% increase in CDG from 2021 to 2022 is one of the justifications for the waiver of NRAs associated with customer service metrics. The utilities' objective should be to provide good customer service to all customers, CDG customers included. If the utilities request a waiver from NRAs due to increases in CDG, they are demonstrating that CDG customers require different treatment, and this Performance Metric is therefore critical to ensure that CDG customer complaints are tracked and that utilities have an incentive to reduce the instances of such complaints.

Definition: The monthly number of mass market accounts filing a complaint, or having a complaint filed on their behalf, with the utility and/or the DPS Office of Consumer Services, related to utility billing and crediting CDG issues. This includes complaints against the utility and those directed toward the customer's DER Supplier which are determined to be caused by utility billing/crediting errors.

Proposed NRA: Like the PSC Complaint Rate, this NRA should be assessed on a proportional basis with higher complaint levels resulting in a higher applied Adjustment.

Precedent: The PSC Complaint Rate Metric defined in the Metrics Order is a reasonable basis for the CDG Customer Complaint Rate Metric. Further, certain utilities have explicitly noted in their own rate cases that they are capable of omitting certain types of complaints, such as complaints around volatility of electricity prices. For instance, in Con Edison's rate case joint proposal they state "Complaints resulting from the price of electric energy and capacity or the operation of the Company's MSC and that do not otherwise present just cause for charging a complaint against the Company will not be counted as complaints for the purposes of the CSPM."[6] Accordingly, the NRA Working Group sees tracking of CDG complaints to the utility that are directly related to billing and crediting, as a reasonable request.

Data Requirements for Metric #3

- # CDG Customer Complaints (provided by DPS OCS)

---

[5] Case 19-E-0378 - Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of the New York State Electric & Gas Corporation for Electric Service and Case 19-E-0380 - Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of the Rochester Gas and Electric Corporation for Electric Service. "Letter petition for waiver of certain customer service metrics and associated negative revenue adjustments" (February 7 2023)

[6] Cases 19-E-0065 and 19-G-0066 Joint Proposal, Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Electric Service, Appendix 18, Page 3

- # CDG Customer Complaints to Utility

Performance Metric #4: Satellite Banked Credit Accuracy

Definition*:* The Satellite Banked Credit Accuracy Metric shall reflect the delta between: a) the applicable credit value that appears on a customer's bill; and b) the maximum credit value that the satellite could have received. The satellite account would consume the full value of its share of the total credits generated, not to exceed the satellite customer's total bill amount.

Example: (similar to example from Metric #2)
Satellite Account Number 12345678 was allocated 1% of Solar Project ABC's generation for a particular month. That month, the project generated $100,000 of VDER Credits, meaning that this account should receive $1,000 on their next statement, unless the full amount owed on the bill is lower than $1,000. If so, then the remaining credit balance should go to their satellite bank.

- If satellite 12345678 had a bill of $1,200, they would receive $1,000 of VDER Credits, reducing their utility bill to $200 (if on dual billing) or $1,100 (if on Net Crediting with a 10% discount - $100).
- If satellite 12345678 had a bill of only $800, they would receive $800 of VDER Credits, covering their full bill, reducing their utility bill to $0 (if on dual billing) or $720 (if on Net Crediting with a 10% discount - $80). They would also bank the remaining $200 for a future statement that allows it.

If the utility hasn't transferred the maximum VDER Credits allowed to be placed on satellite's bill (and had banked more credits than should have been banked), this would constitute an error and violate the NRA Standard.

Proposed NRA: This NRA should be assessed on a proportional basis with higher error rates resulting in a higher applied Adjustment.

Data Requirements for Metric #4[7]
- Customer bill amount before credits are applied
- Customer ("satellite") bank balance before credits are applied
- Transfer Credit value ($)
- Customer bill amount after credits are applied
- Customer ("satellite") bank balance after credits are applied

[7] The above data should be reported directly from the customer billing system so it can be cross-referenced with CDG Host Statements to determine accuracy and identify any discrepancies.

Performance Metric #5: DER Supplier Host Communication Response Rate

Definition: The time measured, in days, to acknowledge receipt of any phone or e-mail communication between the CDG host and utility by a utility representative and the time (in days) to resolve the matter.

The utility shall track the following communications with the DER Provider:

- Utility response time to allocation list submission
- Utility response time to questions/complaints
- Utility resolution of questions/complaints

Proposed NRA: The NRA WG proposes the establishment of "Target Rates" for utility responsiveness to DER Supplier communications regarding file submissions, customer issues, billing and crediting problems, etc. Like the Call Answer Rate within 30 Seconds, (CSPI Metric) the NRA WG proposes proportionate threshold levels, by which lower rates of responsiveness below the target threshold level results in a higher NRA.

Proposed Target Response Rates

1. Utility response (rejection, acceptance, etc.) to allocation submission - 5 business days
   a. *NYSEG/RG&E currently have an Acknowledgement Timeline of less than 2 days*
2. Utility response to customer specific questions and complaints as presented by the Host - 2 business days
3. Utility resolution - 5 business days to issue resolution or a plan to get to resolution if the issue cannot be resolved within 5 business days.

Precedent: The Telephone Answer Response Metric under the CSPIs requires daily tracking of multiple data points by the utilities: total incoming calls received, percent of calls answered, total incoming calls requesting a representative, and the percent of calls answered by a representative within 30 seconds. According to the Metrics Order, "The response time "clock" begins after the customer completes any IVR [interactive voice response] and is transferred to the queue to speak to a representative"[8].

Data Requirements for Metric #5

- Date/time of DER supplier/host inquiry or submission of data to utility
- Date/time of utility response (Acknowledgement Timeline)

[8] Metrics Order, Customer Service Metrics Manual Appendix, pg 5

- Date/time of issue resolution (as reported by the utility and not disputed by the CDG host)[9]

Performance Metric #6: Host Summary Reports Metric

Definition: The time measured, in days, for the utility to generate and send a Host Report to the DER Provider after a Project's meter read date.

Proposed NRA: Like the NRA associated with the DER Supplier Host Communication Response Rate, the NRA WG recommends setting target timelines for the utility to generate and send Host Reports to DER Providers. We propose setting this target timeline at **two business days** after the Project's meter reading date. The project's meter read date shall be no less than once per calendar month.

Data Requirements for Metric #6
- CDG host meter read date
- Host Report issuance date

Performance Metric #7: Credit Reports Metric

Definition*:* The time measured, in days, for the utility to generate and send a Credit Report to the DER Provider after a Project's meter read date. The Credit Report is the report that outlines the total credits that are applied to a customer's account each month. This report is referenced by different names in each utility, and the Working Group also recommends that the utilities adopt consistent naming conventions to eliminate confusion.

Proposed NRA: Like the NRA associated with the DER Supplier Host Communication Response Rate, the NRA WG recommends setting target timelines for the utility to generate and send Credit Reports to DER Providers. We propose setting this target timeline at **two business days** after the Project's meter reading date. The project's meter read date shall be no less than once per calendar month.

Data Requirements for Metric #7
- CDG host meter read date
- Credit Report issuance date

[9] If the utilities use a case management system, this data should be readily available and a simple survey could allow CDG hosts to contest misclassified "resolved" cases.

Negative Revenue Adjustment Recommendations

The NRA Working Group does not currently have a specific basis point or $ figure recommendation for DPS Staff regarding at what level a CDG NRA should be set. However, we have established several founding principles and recommendations that should be considered as DPS seeks to establish an NRA:

1. **The NRAs should be sufficiently high to incentivize the utilities to improve performance.** As is the case with the CSPIs, the intention of the CDG billing NRA exercise is not that the utilities should incur massive penalties. Rather, the intention of the NRAs is to establish adjustments that strongly encourage performance improvements. The NRA WG anticipates that NRAs will incent the utilities to invest in their billing system to the point that CDG billing and crediting errors (and therefore NRAs) are minimal. While we do not have specific recommendations for what that level is, we request that DPS regard this point as a founding principle of NRA development.

2. **The NRA should be high enough to offset any Earnings Adjustment Mechanisms (EAMs) the utilities receive for the CDG Portion of their DER Solar PV Utilization Metric.** In 2021, the JUs received millions of dollars in additional revenue via a positive DER Solar PV Utilization metric EAM for CDG generated within their utility service territory. Since then, the utilities have largely shirked their responsibility to allocate the credits from these projects to customers, which is their mandate under the CDG Tariff. While we are in support of EAMs designed to interconnect more clean DG projects to the grid, interconnection is not the final milestone for CDG projects. Rather, consistent, timely, and accurate allocation of bill credits is the final milestone for CDG projects; utilities have yet to deliver on this. The NRA Working Group recommends that CDG Billing and Crediting NRAs exceed the EAMs the utilities receive for DER Solar PV Utilization:

	RG&E	**NYSEG**	**NatGrid**	**CenHud**	**ORU**	**ConEd**
Total Maximum DER Solar Utilization EAM	$3,059,992	$5,107,857	$10,540,000	$865,000	$4,191,190	$45,828,000

3. **Utility CSPIs are a valuable reference point for establishing the CDG NRAs.** While this working group has not identified specific NRA levels, we urge DPS Staff to use the NRAs established in existing utility rate case Joint Proposals as a reference case for establishing any NRA. Central Hudson, for instance, has a maximum basis point at risk of 15bp for their Customer Complaint Rate metric. Given the severity of CDG billing and crediting issues for CDG customers and the attendant reputational harm that billing and crediting issues bring to the program, this working group advocates for a minimum 15 basis point at risk for not meeting minimum billing and crediting performance metrics. For reference, we are including the following breakdown of the Maximum Revenue Adjustment, Threshold

Levels, and associated Revenue Adjustment bucket for all of the various CSPIs for Con Edison in its 2019 Rate Case.

a. ConEd: Total maximum revenue adjustment for all CSPI: **Up to $40M**

ConEd Customer Service Performance Mechanism

Incentive Targets

Indicator	**Maximum Revenue Adjustment**	**Threshold Level**	**Revenue Adjustment**
Commission Complaints	$9 million	</ = 2.0 > 2.0 - </= 2.2 > 2.2 - </= 2.4 > 2.4	N/A $2,000,000 $5,000,000 $9,000,000
Customer Satisfaction Surveys Emergency Calls (electric only)	$18 million		
	$6 million	>/= 85.2 < 85.2 - >/= 82.2 < 82.2 - >/= 79.2 < 79.2	N/A $1,500,000 $3,000,000 $6,000,000
Customer Satisfaction Survey of Phone Center Callers (non-emergency)	$6 million	>/= 88.5 < 88.5 - >/= 86.5 < 86.5 - >/= 84.5 < 84.5	N/A $1,500,000 $3,000,000 $6,000,000
Customer Satisfaction Survey of Service Center Visitors	$6 million	>/= 89.0 < 89.0 - >/= 87.0 < 87.0 - >/= 85.0 < 85.0	N/A $1,500,000 $3,000,000 $6,000,000
Outage Notification	$8 million	Communication Timeliness; Communication Content	$300,000 per communication activity
Gas Emergency Calls	$3.3 million	<=88.4% to <89.0%	$0 to $3.3 million

Call Answer Rate	$5 million	Rate Year 1: >/= 66.3 < 66.3 - >/= 64.5 < 64.5 - >/= 62.8 < 62.8 - >/= 61.0 < 61.0	N/A $1,000,000 $2,000,000 $4,000,000 $5,000,000
		Rate Year 2: >/= 66.6 < 66.6 - >/= 64.8 < 64.8 - >/= 63.1 < 63.1 - >/= 61.3 < 61.3	N/A $1,000,000 $2,000,000 $4,000,000 $5,000,000
		Rate Year 3: >/= 67.0 < 67.0 - >/= 65.2 < 65.2 - >/= 63.5 < 63.5 - >/= 61.7 < 61.7	N/A $1,000,000 $2,000,000 $4,000,000 $5,000,000

Remedial Credits

The CSPI also sets a precedent of allocating bill credits to customers in instances where the utility has not fulfilled baseline customer service performance around issues such as Appointments Kept and Missed Appointments. A key CSPI metric regarding utility service is "An appointment is a utility's responsibility to perform functions at a designated location, date, and time, which was agreed upon by both the utility and the customer. If the utility fails to make the appointment within the designated window, this is considered a missed appointment. ***Central Hudson, Con Edison, Corning, KEDLI, KEDNY, Niagara Mohawk, NYSEG, O&R, RG&E, and Suez provide customers with a credit for these missed appointments. The credits are added to the customer's bill and range between $20-$50."*** [10] [emphasis added].

Accordingly, as a principle of the NRA, the Commission should also consider this remedial credit approach for when utilities trigger unsatisfactory CDG Performance Metrics levels. This Remedial Bill Credit should be additional to the NRA, as the Remedial Bill Credit is designed to account for

[10] Case 21-M - 0046, In the Matter of the 2020 Utility Customer Service Quality Performance, 2020 Annual Customer Service Performance Report, 12

the negative customer experience as a result of utility underperformance. The purpose of the Remedial Bill Credit mechanism is to compensate the customer – in real time – for instances of utility underperformance that may cause the customer to leave their CDG project. Accordingly, the bill credit amount should be high enough to entice customers to stay with their CDG project and ameliorate any instances of utility overbilling.

Since the remedial bill credit design also exists in the CSPI framework, the NRA WG sees no reason why it should not be implemented for the CDG NRA framework. The Working Group proposes that the Remedial Credit be applied to the affected customer on a monthly basis. The Working Group suggests that any customer that counts against the utility's NRA under Performance Metric #1 receive a monthly remedial credit in the amount of $50. We advocate that these credits be higher for LMI/DAC customers considering their higher energy burden. Remedial credits should also be proportional to the number of households served for master-metered residential subscribers.

Third-Party Monitoring & Verification (Audit)

Finally, the NRA Working Group posits that the monitoring of the CDG Billing Performance Metrics reporting requires an annual third-party auditing process. In the case of the CSPIs, this audit process is conducted by DPS. Staff highlights the need for a third-party audit of utility-reported metrics in the 2021 Customer Service Performance Report, "During its audit of the monthly and annually submitted 2021 data, Department of Public Service Staff (Staff) found discrepancies with the reported numbers at Central Hudson, Consolidated Edison Company of New York, Inc., (Con Edison), The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY), and Niagara Mohawk Power Corporation d/b/a National Grid (Niagara Mohawk)... **Staff's discovery of these errors is why conducting the annual audits into the utilities' self-reported data is vital.**"[11] [bold emphasis added].

The NRA Working Group recommends that if a DPS audit process finds that a utility has incorrectly reported on its performance data, then a total multiplier effect be applied to the utility's applicable annual NRA. For example, if a utility's total post-audit NRA was 50bp, then a 1.1x multiplier would result in a total penalty of 55bp.

Conclusion

New York's strong CDG market is driving continued progress toward the State's ambitious clean energy and equity goals. Utility billing and crediting errors threaten to undermine that progress. Rapidly implementing robust performance metrics and NRAs for CDG billing and crediting will protect customers and strengthen New York as a nation-leading community solar market.

---

[11] Case 22-M-0054 – In the Matter of Utility Customer Service Performance, 2021 Customer Service Performance Report, June 2022. p.2.