

July 31, 2018



VIA ELECTRONIC MAIL

Aida Camacho-Welch
Secretary of the Board
New Jersey Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Trenton, NJ 08625-0350

RE: DOCKET NO. QO18060646 - New Jersey Community Solar Energy Pilot Program

Dear Secretary Camacho-Welch:

In response to the New Jersey Board of Public Utilities' Request for Comments¹, Ampion hereby submits the following comments on the development of the Community Solar Energy Pilot Program.

We appreciate the opportunity to contribute to the implementation of New Jersey's Pilot Program.

Respectfully submitted,

A handwritten signature in black ink that reads "Emily Cosbar". The signature is written in a cursive, flowing style.

Emily Cosbar
Market Policy Analyst, Ampion

¹ As part of New Jersey Community Solar Energy Pilot Program Notice of Stakeholder Meeting and Request for Comments, published 24 Jul 2018 in Docket No. QO18060646

BEFORE THE NEW JERSEY BOARD OF PUBLIC UTILITIES

Docket No. QO18060646 – New Jersey Community Solar Energy Pilot Program
Notice & Request for Comments

Introduction

Ampion is a Software and Service provider supporting distributed generation developers across the US. Ampion is actively involved in similar proceedings, such as the Value of Distributed Resources (“VDER”) proceeding in New York, the Solar Massachusetts Renewable Target (“SMART”) program in Massachusetts, the Community Solar Pilot Program in Oregon, the Community Solar Energy Garden Pilot Program in Maryland, and others. Based on our experience supporting distributed renewable projects in these states and elsewhere, and in anticipation of supporting developers in the New Jersey Pilot Program, Ampion respectfully submits the following responses.

III. Value of the Credit

(14) How should the community bill credit be administered? Should an annualized period mechanism be used for community solar? If yes, should the annualized period be set once per Pilot Project, or once for each individual community solar subscriber?

Community solar bill credits should be administered with one goal in mind: to ensure savings for the customer. An annualized period mechanism (understood here to be a means by which credits expire if not allocated) is an appropriate tool to ensure the generating customer allocates all credit benefits to the customer. There are numerous methods of executing an annualized period mechanism while also protecting against “gaming” (i.e., where the generating customer profits from credits without distribution of any benefit to customers). These methods include:

- Allowing credits that are not otherwise allocated to customers to roll over at the generating meter, with no limits on how many credits can roll over on any given month;
- Allocating revenue to low- and moderate-income customers if credits that roll over at the generating meter are not redistributed within an annualized period, where an annualized period is understood to be:
 - A fixed date (such as the “anniversary” date of site interconnection). For example, if the annualized period date is April 1st, and credits roll over after the conclusion of the generating meter’s October billing cycle, the generating customer would have until April 1st to re-distribute excess credits.
- Ensuring any roll-over credits at the generating meter do not receive less value due to the fact that they are rolled over/unallocated (within the given annualized period);

- Ensure the process for distributing roll-over credits at the host meter is as simple and straightforward as possible (for example, allowing generating customers to submit redistribution forms at any time);
- Allowing credits to rollover indefinitely at the customer level (without, however, allowing for cash out of these credits);
- In order to facilitate administration and mitigate confusion for all participants, the annualized period should be established **once** for the generating meter.

All of these provisions, when implemented in tandem, will ensure that customers never lose out on the benefits of credits associated with customer drop-off, under-allocation of a site, or any other instance of credit roll over at the generating meter. At the same time, these provisions will also incentivize generating customers to maintain full or nearly full allocation lists.

(15) Identify best practices in EDC administration of community solar billing in other states and explain how they can and should apply specifically to the New Jersey Pilot Program. EDCs specifically should identify issues relating to changes in the Data Exchange and Protocol Process flows (or subsequent versions) and how they will administer the billing and crediting process in the Electronic Data Interchange (“EDI”) process.

To date, no utility company administers a community solar program where participation could be considered streamlined, easy, or otherwise straightforward.

The timing of asset production and bill credits appearing on off-taking customer bills remains one of the most crucial elements of program administration across existing programs. However, EDCs have historically faced challenges reconciling different billing cycles of off-taking customers with the billing cycle (and subsequently production of credits) associated with the generating meter. This, in combination with often manual internal utility processes, has resulted in anywhere from one- to three-month delays between asset production and application of the associated credits on off-taking customers’ bills.

D.C.-area utility PEPCO has implemented a successful solution to this issue as part of its Community Renewable Energy Facilities (“CREF”) Program². Namely, PEPCO accomplishes this by assigning all generating facilities to the same billing cycle, which allows the utility to email project developers a spreadsheet every month indicating all credits transferred from the generating meter to off-taking meters. The benefits of this are twofold: in addition to the increase in efficiency and transparency of monthly emails over paper-based procedures, the

² [PEPCO Procedural Manual for Implementation and Administration of Community Renewable Energy Facilities](#), Published 22 Jun 2015

uniform meter reads for generating facilities also eliminates uncertainty as to when the utility will allocate credits.

While Ampion strongly recommends the single billing cycle method for the benefit of both utilities, project developers, and subscribers, we acknowledge that this is not always feasible in legacy billing systems. Therefore, at the very least, Ampion encourages the BPU to require:

- All generating meters be moved to the same billing cycle;
- All utilities allocate credits by a specific date every month, similar to the practice in place for PEPCO's CREF Program³ Xcel's Solar*Rewards Community program⁴; AND
- Utilities furnish project developers with generating meter production and credit allocation data in the form of an email Excel spreadsheet on the same date every month, preferably within 1-5 days after the end of the generating meter billing cycle.

This way, if a subscriber's billing cycle ends prior to the cut-off date, they know they will receive credits that month; meanwhile, if the subscriber's billing cycle ends after the cut-off date, they know they will receive their credits with a month delay. While this solution is still built upon the principle of delays in credit application, Ampion opines that consistency in application of bill credits must be achieved at the very least in order to mitigate customer confusion.

In terms of implementing EDI-related solutions, Ampion recommends that the BPU schedule another stakeholder meeting solely concerning data exchange with project developers in order to ensure all stakeholder comments, suggestions, and experience is adequately accommodated and recorded.

(16) What should happen to excess credits on a subscriber's bill at the end of the year?

As mentioned in our response to Question 14, excess or roll over credits on subscriber bills should not expire or be able to be cashed out. In order to avoid rolling over significant volumes of excess credits from month to month such that customers are never able to fully use up banked credits, the BPU should consider implementing a limit on the number of credits subscribers can receive.

However, the Board should not set limits that would preclude the ability to offset most or all of a subscriber's monthly bill. Ampion recommends a limit of 150% of residential subscriber historical kilowatt-hour usage, measured over the previous 12-24 months of account activity.

³ [PEPCO Procedural Manual for Implementation and Administration of Community Renewable Energy Facilities](#), Published 22 Jun 2015

⁴ [Bill Credit Timing for Solar*Rewards Community Subscribers](#)

If less than 12 months of historical usage records exist for a given subscriber, historical usage should be sized according to whatever data is available. For more details regarding commercial allocation limits, as well as why they should differ from residential allocation limits, please refer to our answer to Question 32.

(17) Are there charges on subscribers' utility bills towards which the community solar bill credit should not be able to be applied?

No. Credits should apply towards all charges on a subscriber's utility bill to ensure maximum savings and benefits to participating customers.

(18) Should unsubscribed energy be purchased by the EDCs at the avoided cost or area location marginal pricing ("LMP")? Or should the community solar pilot project bear the loss of unsubscribed energy?

Ampion recommends that the BPU structure the pilot in order to minimize the "loss" of unsubscribed energy however possible. This will ensure that no benefits to subscribers are lost due to customer attrition or other unexpected events. As suggested in our response to questions 14, unsubscribed energy should be rolled over at the generating meter under the stipulation that any banked credits a) do not lose any value due to the fact that they are unallocated and b) must be re-allocated to participating customers within an annualized period.

V. Customer Subscriptions, Customer Protection

(31) Should there be a minimum number of subscribers per community solar pilot project? If so, what should it be? Please provide specific support for this number.

Ampion acknowledges that establishing a minimum number of subscribers--and requiring developers to demonstrate that they have met this minimum--ensures project viability and safeguards against "speculation" or "gaming." However, Ampion also asserts that overly stringent subscribership minimums and/or deadlines place unnecessary strain on project developers who must reconcile uncertain project construction timelines with customer acquisition efforts.

Ampion therefore recommends that the Board consider existing community solar customer minimums in states such as Massachusetts and New York, which are as follows:

New York - 10 subscriber minimum; no more than 40% of the site can be allocated to subscribers with more than 25 kW of demand

Massachusetts - 3 subscriber minimum; no more than 2 subscribers can have a subscription greater than 25 kW, and those two subscriptions combined cannot constitute more than 50% of the site's nameplate capacity

The most important discrepancy between these two definitions is in the size of the customer's usage versus the size of the allocation. For New York, projects cannot be allocated to customers with high demand usage; in Massachusetts, the customer's consumption does no matter so long as no more than two subscribers receive a disproportionate share of the site's output.

Ampion recommends that the Board limit subscription sizes based on site capacity, *not* on individual customer demand and/or consumption. This will prevent burdening project developers with assessing individual customer demand, as well as avoid creating a process that involves considerable knowledge and cooperation on behalf of both the utility and the customer. To reduce severe delays in customer acquisition efforts, Ampion urges the Board to allow the size limit of the allocations to dictate what type (i.e. based on load profile) of subscribers will benefit from the site.

(32) What should be the maximum subscription size for each subscriber? Should specific limits be placed on residential versus commercial subscribers?

Please refer to Ampion's answer to Question 16 for details on the suggested subscription limits for residential customers. For commercial subscribers, Ampion strongly recommends the Board consider incident demand/kilowatt usage as well as kilowatt-hour consumption, given that kilowatt-hour consumption alone is not always an accurate metric for estimating the total bill amount commercial accounts pay, and would therefore prove an inaccurate mechanism for sizing an allocation and dollar savings.

Conclusion

Ampion commends the Board's leadership and thanks the Board for the opportunity to provide feedback on the Community Solar Energy Pilot Program. Please contact Emily Cosbar with any questions regarding this filing.

Respectfully submitted,



Emily Cosbar
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