Order Instituting Rulemaking to Develop a Successor to Existing Net Energy Metering Tariffs Pursuant to Public Utilities Code Section 2827.1, and to Address Other Issues Related to Net Energy Metering

Rulemaking 14-07-002
(Filed July 10, 2014)

COMMENTS OF MARIN CLEAN ENERGY
ON ADMINISTRATIVE LAW JUDGE’S RULING SEEKING COMMENT ON CONSUMER PROTECTION AND RELATED ISSUES

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January 24, 2017
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COMMENTS OF MARIN CLEAN ENERGY
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CONSUMER PROTECTION AND RELATED ISSUES

I. INTRODUCTION

Pursuant to the directions set forth in the Administrative Law Judge’s Ruling Seeking Comment on Consumer Protection and Related Issues (“Ruling”) issued on December 8, 2016, Marin Clean Energy (“MCE”) respectfully submits the following comments. MCE’s comments focus on consumer protection issues specific to customers of Community Choice Aggregators (“CCAs”).

CCAs’ Net Energy Metering (“NEM”) customers receive generation service from CCAs, while Investor-Owned Utilities (“IOUs”) continue to provide distribution, transmission, and billing services to those customers. The bills received by CCA NEM customers contain inconsistent or erroneous information, and CCAs do not have access to the billing agents to correct the information on the customers’ bills. As a result, even while MCE’s rates are more beneficial to NEM customers than PG&E’s rates, the opt-out rate from CCAs is higher for NEM customers than for non-NEM customers. Based on MCE’s estimate, MCE’s service area-wide opt-out rate is 17%, while its NEM customer opt-out rate is 26%.
These issues deserve the attention of the Commission as CCAs continue to grow, resulting in more NEM customers experiencing confusion related to their bills. MCE recommends that the Commission hold a workshop where representatives from CCAs can present various challenges faced by CCAs, as well as potential solutions to these problems. The workshop should be accompanied by formal comments and reply comments, and the Commission can then determine procedural next steps to resolve these challenges.

II. BACKGROUND

MCE was the first operational CCA within California. MCE’s customers receive generation services from MCE, and receive transmission, distribution, billing and other services from PG&E. MCE currently provides generation service to approximately 250,000 customer accounts throughout Marin County, Napa County, and the cities of Richmond, San Pablo, El Cerrito, Benicia, Lafayette, and Walnut Creek. Approximately 80% of MCE’s customers are residential customers.

MCE’s Net Energy Metering (“NEM”) program is designed to support and encourage local rooftop solar installations. MCE’s NEM program was launched when MCE began serving customers in 2010. In July 2016, MCE completed its fifth annual cash out process for rooftop solar customers, offering over $1 million in check payments to purchase 3,000 of its NEM customers’ excess solar energy at premium retail rates, one cent more than PG&E’s offering. Existing CCAs, such as Sonoma Clean Power (“SCP”), Lancaster Choice Energy (“LCE”), and Peninsula Clean Energy (“PCE”) also offer higher NEM incentives than their affiliated IOUs.

MCE is aware of at least half a dozen CCA programs in various stages of formation. In a voting meeting of the California Public Utilities Commission (“Commission”) in 2016, Commissioner Peterman noted that she had heard a wide range of estimates for CCA adoption,
including an estimate that anticipates 60% of the generation load in the state to be served by CCAs in 2030.\textsuperscript{1} The Commission has also announced a CCA En Banc hearing on February 1, 2017 to address regulatory questions related to the growth of CCAs in California.\textsuperscript{2}

\section*{III. \textbf{RESPONSE OF MCE}}

\textbf{A. Question 1: What are the most important consumer protection issues that NEM successor tariff customers face now, or are likely to face in the future?}

IOUs are required to continue to provide billing services to CCA customers, and CCAs cannot provide customers with separate generation bills.\textsuperscript{3} Currently, CCA NEM customers receive bills that contain inconsistent or false information about their NEM charges and credits, despite having paid for the service through the non-generation portion of their bills. CCAs’ lack of access to the billing agents used by the IOUs limits the CCAs’ ability to participate in the IOUs’ annual true-up process for NEM customers, and does not allow CCAs to provide adequate information on NEM credits, charges, and expected generation true-up.

MCE has attached two redacted MCE NEM customer bills to its comments. Attachment A is an example of a typical residential NEM customer’s bill, and Attachment B is a bill of a residential NEM customer with a fairly robust solar system. MCE’s comments on specific billing issue examples are highlighted in yellow.

On the fourth page of Attachment A, the axes of the graphs are not properly labeled to reflect NEM charges and credits. The cumulative NEM balance by month also does not align with

\footnotesize{\begin{itemize}
\item See the Commission’s Daily Calendar: http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M171/K499/171499613.PDF
\item Public Utilities Code Section 366.2(c)(9).
\end{itemize}}
the information provided on page seven of the bill. On page seven, the summary shows that the customer’s NEM credit balance is $0.00, whereas the last data point on the graph titled Cumulative NEM Balance by Month has a value between $160 and $240.

Attachment B contains several items that may confuse customers. On the first page, the year-to-date estimated NEM charges at true-up is shown to be $0.00, which seems unrelated to the total NEM charges before taxes and the total electric minimum delivery charges. The graphs on page four are not properly labeled, and the cumulative NEM balance by month also does not reflect the actual NEM balance of $189.24 on page seven. The graph that is supposed to show the daily usage on page six of the bill does not have labeled axes, so the customer would not know how much electricity was used on a specific date, or the day where her usage spiked near the end of the month.

Additionally, CCAs’ inability to participate in IOUs’ billing true-up process has also forced CCAs to implement a different true-up process for NEM customers. CCAs currently have to settle NEM customers’ credits and charges on a monthly basis, and provide a NEM account balance to PG&E to display on the bill. At the end of a 12-month cycle, which is analogous to the annual true-up, CCAs charge customers for the amount owed or provide cash compensation if an account has accrued more credits than charges. This process has led to confusion among customers who were previously served by IOUs and have recently enrolled in CCAs, and is in conflict with the annual true-up mechanism the Commission adopted in the Decision (“D.”) 16-01-044, Adopting Successor to Net Energy Metering Tariff. Furthermore, if a NEM customer’s CCA enrollment occurs in the 12-month cycle, their bills are automatically trued up. Depending on the month of

\[\text{\textsuperscript{4}}\ D.16-01-044\ at\ pages\ 94-95.\ \text{The}\ decision\ does\ not\ find\ compelling\ reasons\ to\ change\ the\ annual\ true-up\ to\ monthly\ true-up.}\]
true-up, the customers could incur unexpected charges on their bills due to seasonal variation in usage, which can be financially burdensome especially for low-income families.

Accurate billing information can help customers conserve energy. However, as demonstrated, information that CCA NEM customers receive makes it challenging to learn about their actual energy usage to make energy consumption decisions. Despite having paid for the same service through their distribution charges, CCA NEM customers receive inferior billing services compared to their bundled counterparts. It is this type of inherent market power that undermines competitive neutrality that the legislation directed the Commission to address in SB 790.5

As more communities in California form CCAs, these billing issues will impact an increasing number of customers. This will likely require a greater effort at the Commission to reach a resolution that will provide equal quality billing information between bundled and unbundled customers.

B. Question 2: Which issues identified in Question 1 could most effectively be addressed through an information packet for potential NEM customers? Why?

The information packet should generally describe that the bills produced for CCA NEM customers may contain different information, and CCA NEM customers should contact the CCA that is providing their electricity generation service to learn more about their bills. The information packet should also include a list of CCA call centers and their contact information.

5 SB 790 finds “Electrical corporations have inherent market power derived from, among other things, name recognition among customers, longstanding relationships with customers, joint control over regulated operations and competitive generation services, access to competitive customer information, and the potential to cross-subsidize competitive generation services.”
C. Question 3: Which issues identified in Question 1 do not lend themselves to being effectively addressed through an information packet for potential NEM customers? Why not?

To effectively solve the billing problem, the Commission should provide a procedural venue to determine how to best ensure that the IOUs are providing equal quality billing services to bundled and unbundled customers.

D. Question 4: What entity or entities should be responsible for preparing an information packet? Please explain why that entity is appropriate for this task.

CCAs should be responsible for preparing materials for the information packet, and consult the IOUs as necessary. CCAs are the most familiar with billing challenges experienced by their NEM customers and are intimately involved in resolving these billing issues.

E. Question 5: What entity or entities should be responsible for providing any information packet to potential NEM customers?

CCAs and IOUs should both be responsible for providing the information packet to potential NEM customers as unbundled customers are served by both CCAs and IOUs. Consistent with the CCA Code of Conduct in D.12-12-036, CCAs should be responsible for communicating with their own potential customers.6

F. Question 6: For each issue identified in your response to Question 2, please provide a proposal or a mock-up of how the issue might be presented in an information packet.

Below is the text that can be included in the information packet should read:

[Section Heading] Community Choice Aggregation (CCA)

6 D.12-12-036 at page 7.
Customers who receive their electric generation service from a local CCA program instead of the investor-owned utility are still eligible to participate in Net Energy Metering. The investor-owned utility will continue to provide an annual true-up for credits and/or charges associated with electric delivery. Your electric generation credits and/or usage charges will be billed monthly by the CCA and included on the CCA billing detail page of your regular investor-owned utility bill. For more information on how your CCA handles NEM, please contact them directly.

<table>
<thead>
<tr>
<th>CleanPowerSF</th>
<th>1-415-554-0773</th>
<th><a href="http://www.cleannpowersf.org">www.cleannpowersf.org</a></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lancaster Choice Energy</td>
<td>1-844-288-4523</td>
<td><a href="http://www.lancasterchoiceenergy.com">www.lancasterchoiceenergy.com</a></td>
</tr>
<tr>
<td>MCE</td>
<td>1-888-632-3674</td>
<td><a href="http://www.mcecleanenergy.org">www.mcecleanenergy.org</a></td>
</tr>
<tr>
<td>Peninsula Clean Energy</td>
<td>1-866-966-0110</td>
<td><a href="http://www.peninsulacleanenergy.com">www.peninsulacleanenergy.com</a></td>
</tr>
<tr>
<td>Sonoma Clean Power</td>
<td>1-855-202-2139</td>
<td><a href="http://www.sonomacleanpower.org">www.sonomacleanpower.org</a></td>
</tr>
</tbody>
</table>

**G. Question 11:** For issues identified in your response to Question 3 that could not most effectively be addressed through an information packet, what requirements, if any, should the Commission put in place?

The Commission should identify an appropriate procedural venue to ensure that bundled and unbundled NEM customers receive the same quality of billing services. The Commission should work with CCAs and IOUs to identify potential solutions. Because Public Utilities Code 394.4(e)\(^7\) enables the Commission to ensure compliance with basic consumer protection rules, the

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\(^7\) Public Utilities Code 394.4 states “Rules that implement the following minimum standards shall be adopted by the commission for electric service providers offering electrical services to residential and small commercial customers and the governing body of a public agency offering electrical services to residential and small commercial customers within its jurisdiction” including (e) any bills shall contain “sufficient detail for the customer to recalculate the bill for accuracy.”
Commission should have the authority to implement measures that can provide equal billing services for bundled and unbundled NEM customers.

MCE suggests that the Commission host a workshop where CCAs can share examples of billings issues that have led to customer confusion, and brainstorm solutions that can systemically address these billing issues. After the workshop, the Commission should provide opportunities for formal comments and reply comments to weigh in on the presented problems and solutions. The Commission can then determine the additional procedural steps that need to be taken to fully address these billing issues related to NEM.

IV. CONCLUSION

MCE thanks Assigned Commissioner Picker and Assigned Administrative Law Judge Anne E. Simon for the opportunity to provide these comments on NEM successor tariff consumer protection and related issues.

Respectfully submitted,

/s/ C.C. Song

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January 24, 2017
Your Account Summary

Amount Due on Previous Statement  $71.46
Payment(s) Received Since Last Statement  -71.46
Previous Unpaid Balance  $0.00
Current PG&E Electric Monthly Charges  $10.99
MCE Electric Generation Charges  28.09
Current Gas Charges  81.81

Total Amount Due by 12/29/2016  $120.89

Your Net Energy Metering (NEM) Account Summary

Year-to-date (YTD) NEM charges are based on your YTD usage. Your NEM balance will be reconciled on your annual True-Up statement (04/2017). No credits will be carried over to your next True-Up period. Please see the “Summary of Your NEM YTD Charges” for more details.

Total NEM Charges Before Taxes  $191.20
Total Electric Minimum Delivery Charges  -69.99
Estimated Taxes  16.28
YTD Estimated NEM Charges At True-Up  $137.49

Important Messages

Your charges on this page are separated into delivery charges from PG&E and generation or procurement charges from an energy provider other than PG&E. These two charges are for different services and are not duplicate charges.

Your account has an unpaid balance from a prior bill. To avoid missing a future payment, you may wish to sign up for our recurring payment service. Please visit www.pge.com/waystopay for all your payment options.

Continued on page 9

Please return this portion with your payment. No staples or paper clips. Do not fold. Thank you.
Summary of Your NEM Year-to-Date (YTD) Charges (continued)

Service For: [Redacted]
Service Agreement ID: [Redacted]
Rate Schedule: E1 T Residential Service

NEM Charges Before Taxes

Cumulative NEM Balance by Month

Negative signs are missing from the values below 0.

The cumulative NEM balance does not reflect the NEM credit balance on page 7.

Monthly NEM Charges
Monthly NEM Charges represent the cost of the electricity you use each month. You don't pay your monthly NEM balance each month. Instead, your Monthly NEM Charges are added up to calculate your Cumulative NEM balance, which you pay at True-Up.

Cumulative NEM Balance
Cumulative NEM balance is a running total of your electricity costs and can increase or decrease depending on each month's use and generation. You only pay your Cumulative NEM balance at True-Up.
**Details of MCE Electric Generation Charges**

11/02/2016 - 12/03/2016 (32 billing days)

<table>
<thead>
<tr>
<th>Service For:</th>
<th>Service Agreement ID:</th>
<th>ESP Customer Number:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rate Schedule:</th>
<th>Rate Details</th>
<th>Generation - Total kWh</th>
<th>@ $0.07200</th>
<th>Net Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEM E-1</td>
<td></td>
<td>360.013800</td>
<td>$25.92</td>
<td></td>
</tr>
</tbody>
</table>

Utility Users Tax: 2.07
Energy Surcharge: 0.10

**Total MCE Electric Generation Charges**: $28.09

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**Customer’s MCE NEM credit balance is not reflected in the graph on page 4.**

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**Service Information**

- **Total Usage**: 360.000000 kWh

For questions regarding charges on this page, please contact:

**MCE**
1125 Tamalpais Avenue
SAN RAFAEL, CA 94901
1-888-632-3674
www.mceCleanEnergy.org

**Additional Messages**

MCE is a not-for-profit, public agency that sources 50-100% renewable energy for your power needs, called electric generation.

PG&E continues to provide and bill for electric delivery services. MCE replaces PG&E’s charge for electric generation. This is reflected in the ‘Generation Credit’ line item shown on the ‘Details of PG&E Electric Delivery Charges’ page of your bill.

Gas services are not provided by MCE.

If you have any questions about MCE, please call us at 1 (888) 632-3674, email us at info@mceCleanEnergy.org, or visit us online at www.mceCleanEnergy.org. We’re happy to help!
Attachment B
Total NEM charges before taxes and total electric minimum delivery charges seem unrelated to the YTD estimated NEM charges at true-up.

Important Messages
Your charges on this page are separated into delivery charges from PG&E and generation or procurement charges from an energy provider other than PG&E. These two charges are for different services and are not duplicate charges.

Find Ways to Save. The combination of colder weather, more time indoors and fewer daylight hours can increase your energy costs. For energy savings tips, visit www.pge.com/saveenergymoney.

Total NEM charges before taxes and total electric minimum delivery charges seem unrelated to the YTD estimated NEM charges at true-up.
Summary of Your NEM Year-to-Date (YTD) Charges

Service For: [Redacted]
Service Agreement ID: [Redacted]
Rate Schedule: E6 X Residential Time-of-Use Service

Summary of NEM Charges

<table>
<thead>
<tr>
<th>Bill Period End Date</th>
<th>Net Peak Usage (kWh)</th>
<th>Net Part Peak Usage (kWh)</th>
<th>Net Off Peak Usage (kWh)</th>
<th>Net Usage (kWh)</th>
<th>Estimated NEM Charges Before Taxes</th>
<th>Estimated Taxes</th>
<th>Estimated Total NEM Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/30/2016</td>
<td>-164</td>
<td>-100</td>
<td>151</td>
<td>-113</td>
<td>-$23.19</td>
<td>-$0.07</td>
<td>-$23.26</td>
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<tr>
<td>09/29/2016</td>
<td>-128</td>
<td>-91</td>
<td>102</td>
<td>-118</td>
<td>-$21.56</td>
<td>-$0.07</td>
<td>-$21.63</td>
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<tr>
<td>10/30/2016</td>
<td>-62</td>
<td>-45</td>
<td>210</td>
<td>103</td>
<td>6.38</td>
<td>0.06</td>
<td>6.44</td>
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<tr>
<td>11/30/2016</td>
<td>2</td>
<td>47</td>
<td>99</td>
<td>147</td>
<td>14.50</td>
<td>0.09</td>
<td>14.59</td>
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<tr>
<td>12/29/2016</td>
<td>0</td>
<td>77</td>
<td>296</td>
<td>373</td>
<td>39.77</td>
<td>0.23</td>
<td>40.00</td>
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<tr>
<td>TOTAL</td>
<td>-352</td>
<td>-112</td>
<td>858</td>
<td>392</td>
<td>$15.90</td>
<td>$0.24</td>
<td>$16.14</td>
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</table>

Differences in net usage may occur due to rounding.

Electric Charges

<table>
<thead>
<tr>
<th>Bill Period End Date</th>
<th>Minimum Delivery Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/30/2016</td>
<td>$9.86</td>
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<tr>
<td>09/29/2016</td>
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<td>10/30/2016</td>
<td>10.19</td>
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<tr>
<td>11/30/2016</td>
<td>10.19</td>
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<tr>
<td>12/29/2016</td>
<td>9.53</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$49.63</td>
</tr>
</tbody>
</table>

Explanation of Calculations

Your YTD Total NEM Charges represent the balance of your net usage since the start of your True-Up period. Charges are calculated each month but are not billed until the end of the True-Up period.

Your Summary of NEM Charges will be reset to zero at True-Up.

The Minimum Delivery Charge is assessed monthly and credited at true-up if the total NEM Charges Before Taxes are greater than your cumulative Minimum Delivery Charges.

This is your YTD balance. Your total NEM balance will be reconciled on your True-Up statement (07/2017).
The cumulative NEM balance does not reflect the NEM credit balance on page 7.

Negative signs are missing from values below 0.
Without labeling the axes, it is difficult for consumers to understand their energy charges and credits.
**Details of MCE Electric Generation Charges**
12/01/2016 - 12/30/2016 (30 billing days)

<table>
<thead>
<tr>
<th>Service For:</th>
<th>Service Agreement ID:</th>
<th>ESP Customer Number:</th>
</tr>
</thead>
</table>

**Rate Schedule: NEM E-6**

<table>
<thead>
<tr>
<th>Service</th>
<th>kWh</th>
<th>Rate</th>
<th>Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation - Off Peak - Winter</td>
<td>295,535,400</td>
<td>@ $0.05300</td>
<td>$15.66</td>
</tr>
<tr>
<td>Generation - Part Peak - Winter</td>
<td>77,415,700</td>
<td>@ $0.07300</td>
<td>5.65</td>
</tr>
</tbody>
</table>

**Energy Surcharge**
0.11

**CHARGED TO NEM BALANCE**

| Charges | 21.31 |

**Net Charges**

-21.42

**Total MCE Electric Generation Charges**

Customer's MCE NEM credit balance is not reflected in the graph on page 4.