



Staff Report Item 10

TO: East Bay Community Energy Board of Directors

FROM: Annie Henderson, Vice President of Marketing and Account Services

SUBJECT: **Approval of Initial NEM Policy**

DATE: February 21, 2018

Recommendation

Adopt a Resolution approving staff proposal for initial Net Energy Metering (NEM) Policy. Amend policy, as necessary, after finalization of Local Development Business Plan.

Background

Net Energy Metering is a policy offered by PG&E and all active Community Choice Energy programs. The key components to a policy are:

- **Export Value:** Value assigned to a kWh exported at any point, which will be applied as a bill credit
- **Billing Mechanics:** Frequency of when a customer is charged for net consumption of electricity
- **Enrollment:** The timing for when a NEM customer is enrolled for CCA service
- **Surplus value:** Value assigned to kWh generated in excess of kWh usage on an annual basis, which results in a cash-out payment
- **True-Up:** Payment for any surplus electricity generated over the course of a year

Context: Phase 1 Outreach

EBCE staff is actively engaging with Phase 1 customers - our largest customers in the Alameda County territory of the program. Many of these customers have multiple accounts, some of which will be enrolled in Phase 1 and others that are on standby or NEM rate schedules, which will not be enrolled until Phase 3. However, it is critical that we can discuss the entire account portfolio with these customers.

In order to represent future enrollment phases and clearly describe the full EBCE value proposition, staff recommends a baseline NEM policy be established prior to the final adoption of the Local Development Business Plan (LDBP). This policy will be revisited to incorporate feedback in the Local Development Business Plan and other stakeholder input. Additionally, the

policy will need to be further flushed out to include more details that impact the execution of the policy, such as surplus thresholds and payment mechanics.

Highlights of Initial NEM Policy

Table 1 below summarizes the proposed Initial NEM Policy, with additional detail provided in the attached presentation.

Table 1

Export Credit	Retail* based on service selected (Bright Choice/ Brilliant 100)
Billing	<ul style="list-style-type: none">• Monthly bill for generation• Monthly application of credit• Annual cash out in April
Enrollment	Bi-monthly enrollment based on True-Up date with PG&E
Surplus Credit	Match PG&E Net Surplus Compensation (NSC) offering**

* Export credit depends on the vintage and category of customer.

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Please see the attached policy for additional detail.

Attachment

- A. Resolution Approving Net Energy Policy
- B. Initial NEM Policy

Attachment 10A

RESOLUTION EBCE R-2018-

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY APPROVING
NET ENERGY METERING POLICY**

WHEREAS, the East Bay Community Energy Authority (“EBCE”) was formed pursuant to a Joint Powers Agreement to study, promote, develop, conduct, operate, and manage energy programs in Alameda County; and

WHEREAS, the EBCE desires to encourage customers to construct new on-site energy generation systems and to retain current Net Energy Metering (NEM) customers by minimizing any adverse financial impacts from becoming an EBCE customer; and

WHEREAS, although the EBCE is still in the process of preparing its Local Development Business Plan (“LDBP”), which will establish a framework for more detailed NEM policies, there is a need to establish an Initial NEM policy to address questions from NEM customers; and

WHEREAS, the Initial NEM policy may be amended as required to reflect the findings of the LDBP.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Initial Net Energy Metering Policy attached as Exhibit A is hereby approved and shall be effective on February 21, 2018.

ADOPTED AND APPROVED this 21st day of February, 2018.

Scott Haggerty, Chair

ATTEST:

Stephanie Cabrera, Clerk of the Board



POLICY # _____

Net Energy Metering**Subject:** Net Energy Metering**Policies:**Export Credit

The following customer classes will receive the stated export credit. Prior to enrollment of NEM customers, additional export credit will be considered for projects that support livable wage and supply shifting.

Customer Class	Export Credit/kWh
Existing Customers at Enrollment	Retail based on selection of Bright Choice/Brilliant 100 (“Retail”)
New Customers after Enrollment	Retail
New Low Income Customers	Retail + \$0.01
New Municipal Customers	Retail + \$0.01

Billing

- Monthly bill of generation charges
- Monthly application of credit
- Annual surplus payment in April

Surplus Credit

The following customer classes will receive the stated surplus credit at the time of payment in April of each year. Prior to enrollment of NEM customers, additional surplus credit will be considered for projects that support livable wage and supply shifting.

Customer Class	Surplus Credit/kWh
Existing Customers at Enrollment	PG&E Net Surplus Charge (NSC)
New Customers after Enrollment	The greater of retail capped at \$2,500 or the PG&E NSC
New Low Income Customers	Retail + \$0.01
New Municipal Customers	Retail + \$0.01

Enrollment Schedule

Enrollment will be based on the PG&E True-Up Date for each customer. Enrollment will be bimonthly beginning January 2019.

Rate Schedule

This policy will apply to all NEM rate schedules.