



Staff Report Item 13

TO: East Bay Community Energy Board of Directors
FROM: Annie Henderson, Vice President of Marketing and Account Services
SUBJECT: Discussion of Initial NEM Policy
DATE: February 7, 2018

Recommendation

Review and discuss staff proposal for initial Net Energy Metering (NEM) Policy. Updated policy, per Board feedback, to be brought to the February 21st meeting for vote.

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

Table 1 below is a sample of other CCE policies.

Table 1

	MCE	SCP	PCE	CleanPowerSF	SVCE
Export Credit per kWh	Default Product Retail + \$0.01	Default Product Retail + \$0.01	Default Product Retail + \$0.01	Retail	Retail
Billing	Monthly Cash Out in April	Monthly Cash Out in May	Monthly Cash Out in April	Monthly Cash Out in April	Monthly Cash Out in April
Enrollment	At enrollment	At enrollment	Bi-monthly based on True-Up Date	Quarterly based on True-Up Date	Quarterly based on True-Up Date
Surplus Credit	Same as Export Credit	Same as Export Credit	Same as Export Credit	Premium Retail	Same as Export Credit

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

Table 2

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.

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

Please see the attached slides for additional detail.

Future Action

EBCE staff requests that the Board provide feedback on this proposal. Based on Board and stakeholder feedback, staff can update the policy and return at the February 21st meeting for approval by the Board.

Attachment

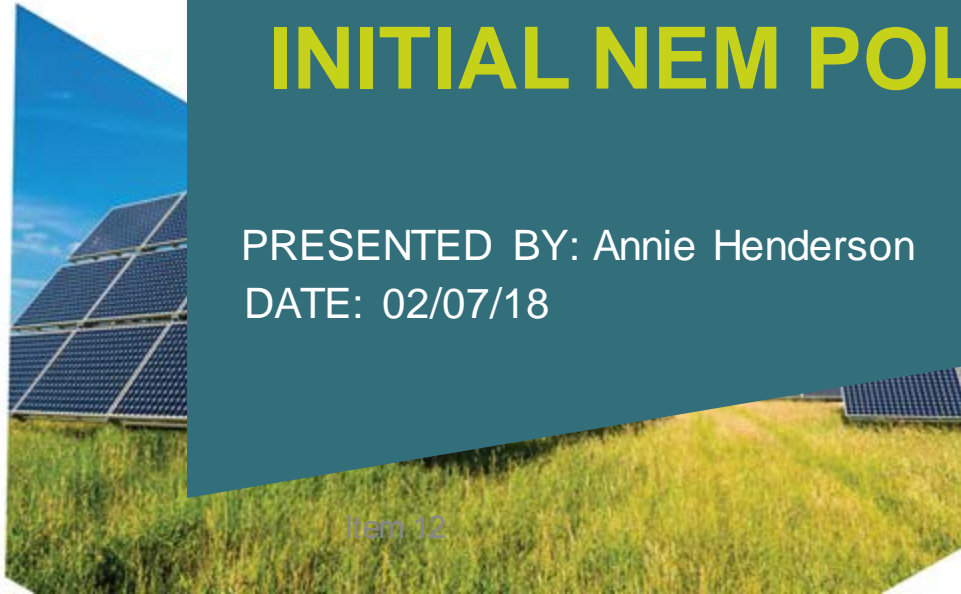
- A. Presentation on Initial NEM Policy



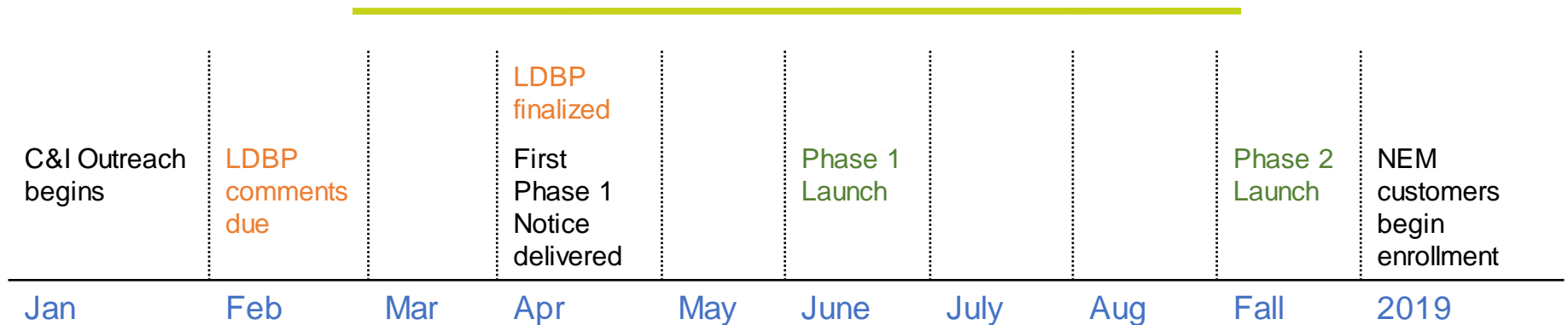
INITIAL NEM POLICY

PRESENTED BY: Annie Henderson

DATE: 02/07/18



WHY AN INITIAL NEM POLICY?



- NEMcustomers will not be enrolled until 2019
- However, some C&I customers have portfolios with Phase 1 and NEMaccounts
- Adopting a baseline NEMpolicy allows staff to have initial discussion with portfolio customers and establish a minimum value proposition
- After April 2018 but before NEMenrollment, EBCE will refine and expand NEMpolicy in response to LDBP and stakeholder feedback

INITIAL NEM POLICY BASICS

Export Credit

Retail* based on service selected (Bright Choice/Brilliant 100)

Billing

- 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 AND SURPLUS CREDIT

NEM Customer	EXPORT Credit	SURPLUS Credit	Compared to PG&E
Existing at Enrollment	Retail based on product selected	Match PG&E NSC offer (\$0.026-\$0.035/kWh)	Same
New after Enrollment	Retail	Retail capped at \$2.5k <i>or</i> NSC without a cap	Better
Low Income (New only)	Retail + \$0.01/kWh	Retail + \$0.01/kWh	Better
Municipal (New only)	Retail + \$0.01/kWh	Retail + \$0.01/kWh	Better
Workforce (New only)	Implementation considerations under review		Better
Supply-Shift (New only)	Implementation considerations under review		Better

- Limited resources should be focused on
 - **New** installations
 - **Hard-to-reach communities** where the market has failed to deliver significant penetration
 - Municipal customers where savings is immediately reinvested into **community services**, like schools
 - Supporting **local workforce**

CCA NEM POLICIES

	MCE	SCP	PCE	CleanPowerSF	SVCE
Export Credit per kWh	Default Product Retail + \$0.01	Default Product Retail + \$0.01	Default Product Retail + \$0.01	Retail	Retail
Billing	Monthly Cash Out in April	Monthly Cash Out in May	Monthly Cash Out in April	Monthly Cash Out in April	Monthly Cash Out in April
Enrollment	At enrollment	At enrollment	Bi-monthly based on True-Up Date	Quarterly based on True-Up Date	Quarterly based on True-Up Date
Surplus Credit	Same as Export Credit	Same as Export Credit	Same as Export Credit	Premium Retail	Same as Export Credit

EXPORT CREDIT VALUE

	Default Product	Premium Product
MCE	LightGreen Retail + 0.01 = DeepGreen Retail	LightGreen Retail + 0.01 = DeepGreen Retail
SCP	CleanStart Retail + 0.01 = Evergreen Retail	CleanStart Retail + 0.01 = Evergreen Retail
PCE	EcoPlus Retail + 0.01 = Eco100 Retail	EcoPlus Retail + 0.01 = Eco100 Retail
CleanPowerSF	Green Retail	SuperGreen Retail
SVCE	GreenStart Retail	GreenPrime Retail

FUTURE: REFINE AND EXPAND

- Refine and expand based on final LDBP and stakeholder feedback
- Consider adders (cents/kWh) for
 - Additional income-qualified customers beyond CARE/FERA
 - Projects that support local labor
 - Technologies beyond solar photovoltaics
- Refine surplus valuation for new installations
- Address other program considerations such as
 - Data management
 - Marketing and outreach
 - Operational mechanics of cash-out payment
 - Billing system configuration and functionality
 - Surplus cash-out threshold and cap
 - REC ownership

DRAFT LDBP NEM PROGRAM

- Adders on export credit:

Adder	Amount/ kWh	Eligibility	Proposed Initial NEM Policy
Standard	\$0.005	All NEM customers	No adder, but improve surplus credit
Community <ul style="list-style-type: none">• <i>Income-qualified</i>• <i>Non-profit/gov't</i>	\$0.005	New NEM customers	\$0.010
Workforce <ul style="list-style-type: none">• <i>Livable wage</i>	\$0.005	New NEM customers	TBD but noted in initial policy
Supply-Shift <ul style="list-style-type: none">• <i>West-facing solar</i>• <i>Small wind</i>• <i>Energy storage</i>	\$0.005	New NEM customers	TBD but noted in initial policy

- Monthly billing with annual cash-out in Spring
- Enrollment per True-Up date

REQUEST OF BOARD

- Review proposed policy and provide feedback to EBCE staff
 - Staff will make updates per board direction
- Vote on Initial NEMPolicy at next board meeting on 2/21/18
- Revisit NEMPolicy in May/June 2018