

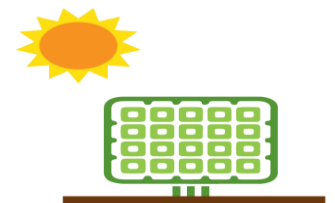


Community Advisory Committee
Item 6: Workshop Update and NEM Discussion
August 29, 2018 - Yolo County Dept. of Community Services



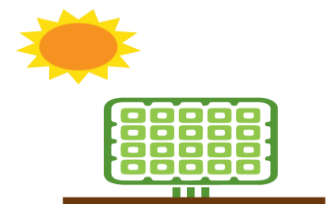
Agenda

- . Overview of Woodland workshop
- . Overview of proposed NEM policy



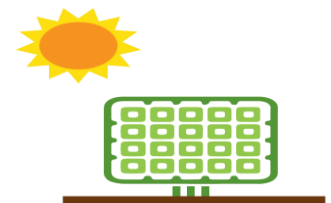
Goals of Workshop

- Provide information on VCE's NEM policy and why amendments are being considered
- Overview of options
- Receive community input to inform policy decisions



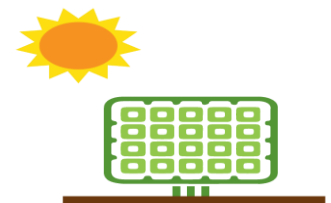
Update from August 1 Workshop - Woodland

- Approximately 90 in attendance
- Yvonne moderated the session
- Jim presented the VCE background and proposal
- People were ready with questions - mostly clarification questions about VCE's proposed policy or PG&E policies
- A few testy questions
- General agreement that the VCE proposal is the right direction



Workshop Follow Up

- A few customers come into VCE offices to discuss:
 - NEM billing issue
 - Looking for more information on VCE
 - NEM customers wanting to join VCE now
- Several calls on various NEM-related topics
- No requests for changes to policy beyond what was presented at the workshops



Policy Amendment Recommendations

Existing NEM Customers

Stay with the true-up schedule and billing cycle used by PG&E for the majority of existing NEM customers

- This would be seamless to customers and they will receive VCE benefits
- They retain their annual billing cycle and existing true-up date

Shift some NEM customers to monthly billing

- Shift existing NEM customers who consistently owe more than \$500/yr (approximately 882 customers, 12.6% of NEM customers) from annual payments to monthly payments with an annual true up date in February.
- Non-residential customers with >\$5000 annual balance may be moved to monthly billing/February true-up.

Reason for February True-Up

PG&E True-Up Date, Monthly Billing #1

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
PG&E True-Up						470						
VCE Bill	\$ 90	\$ 70	\$ (100)	\$(100)	\$(100)	\$ 50	\$ 100	\$ 100	\$ 90	\$ 90	\$ 90	\$ 90
Paid	\$ 90	\$ 70	\$ -	\$ -	\$ -	\$ 50	\$ 100	\$ 100	\$ 90	\$ 90	\$ 90	\$ 90
Running Total	\$ 700	\$ 770	\$ 770	\$ 770	\$ 770	\$ 50	\$ 150	\$ 250	\$ 340	\$ 430	\$ 520	\$ 610

- For a true-up date in June, a customer could pay \$770 by May, then be reimbursed for the wholesale value of their \$300 in credits on their true-up in June, even though they're not a net generator
- Cycle would continue every year. This is not a 'first-year' issue.

PG&E True-Up Date, Monthly Billing #2

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
PG&E True-Up									470			
VCE Bill	\$ 90	\$ 70	\$ (100)	\$(100)	\$(100)	\$ 50	\$ 100	\$ 100	\$ 90	\$ 90	\$ 90	\$ 90
Paid	\$ 90	\$ 70	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90	\$ 90	\$ 90	\$ 90
Running Total	\$ 450	\$ 520	\$ 520	\$ 520	\$ 520	\$ 520	\$ 520	\$ 520	\$ 90	\$ 180	\$ 270	\$ 360

- For a true-up in September, this customer will spend \$520, then credits kick-in and keep them under a \$100 balance at true-up.

PG&E True-Up Date, Monthly Billing #3

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
PG&E True-Up				470								
VCE Bill	\$ 90	\$ 70	\$ (100)	\$(100)	\$(100)	\$ 50	\$ 100	\$ 100	\$ 90	\$ 90	\$ 90	\$ 90
Paid	\$ 90	\$ 70	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50	\$ 90	\$ 90	\$ 90	\$ 90
Running Total	\$ 500	\$ 570	\$ 570	\$ -	\$ -	\$ -	\$ -	\$ 50	\$ 140	\$ 230	\$ 320	\$ 410

- Customer has \$100 credit at true-up--paid out at wholesale? Rolled over?

Policy Amendment Recommendations

VCE Customers with 2018 Solar Installations

Existing VCE customers that install solar in 2018 will be placed on current NEM policy:

- Monthly billing
- April true-up
- Propose changing April true-up to February for consistency
- Can easily change “April” to “February” in the billing system
- Would need to notify VCE NEM customers that their true-up date is shifting , impacting 365 customers as of 8/28

Policy Amendment Recommendations

New NEM Customers in 2019

New NEM customers in 2019

- Monthly billing
- Annual true-up in February
- We recommend moving the >\$500 customers and the 2018 solar customers to this policy in 2019 to avoid managing 3 different NEM policies
 - Legacy Policy—annual billing cycle with PG&E true-up date
 - ~~Monthly billing with April true-up~~
 - Monthly billing with February true-up

Financial Impacts—Net Position

Scenario	# of Customers / % of NEM Customers	2018 (\$1,000's)	2019 (\$1,000's)	2020 (\$1,000's)	2021 (\$1,000's)	Running Average
Current NEM Policy		\$ 2,071	\$ 10,377	\$ 17,927	\$ 22,261	
All NEM to Annual (same as PG&E)		\$ 2,126	\$ 8,922	\$ 16,296	\$ 20,441	\$ 1,820
>\$1000 annually	228/3.3%	\$ 2,126	\$ 9,641	\$ 17,018	\$ 21,169	\$ 1,092
>\$750 annually	413/5.9%	\$ 2,126	\$ 9,729	\$ 17,107	\$ 21,259	\$ 1,002
> \$500 annually	882/12.6%	\$ 2,126	\$ 9,891	\$ 17,269	\$ 21,423	\$ 838

- The cumulative net impacts (3 years) show an estimated difference of \$838k when placing the >\$500 customers on monthly billing
- Revenues are not recorded until true-up

Proposed NEM Policy

1. Residential NEM customers may retain their existing PG&E annual billing cycle unless their annual balance exceeds \$500.
2. Residential NEM customers with annual balances exceeding \$500 will be transitioned to monthly billing with a February true-up date.
3. Non-residential NEM customers may retain their existing PG&E annual billing cycle unless their annual balance exceeds \$5,000.
4. Non-residential NEM customers with annual balances exceeding \$5,000 may be transitioned to monthly billing with a February true-up.
5. NEM customers may choose a monthly billing cycle in lieu of an annual billing and true-up cycle.
6. Existing NEM customers on annual billing cycles will retain their current true-up month.
7. The transition from PG&E to VCE will occur on the customer's true-up date in 2019.
8. NEM customers with less than \$100 in credits will have the credit balance roll over to the next billing cycle (no loss of credits). NEM customers with a credit balance exceeding \$100 on their annual true-up date will be cashed-out unless they choose to roll over the balance or donate the funds.

Proposed NEM Policy

9. NEM customers that generate excess energy on a monthly basis will receive the retail value plus a \$0.01/kWh credit for the excess generation, without additional compensation for participation in renewable programs.
10. Customers on time-of-use (TOU) rate schedules receive a \$0.01/kWh credit for excess generation during any TOU period on a monthly basis.
11. NEM customers that generate excess energy on an annual basis will receive the wholesale value of net surplus generation plus a \$0.01/kWh adder.
12. NEM customers may opt-out of VCE's NEM program and return to PG&E at their discretion.
13. For the remainder of 2018, existing VCE customers that add solar and new NEM SAIDS (new construction and move-ins) will be put on the 2018 NEM policy of monthly billing with an annual true-up date in February (once the system is changed from April).
14. Residential customers adding solar systems beginning in 2019 will be placed on monthly billing with an annual true-up date in February.
15. Non-residential customers adding solar systems beginning in 2019 may be placed on monthly billing with an annual true-up in February.

Next Steps

- Review and approve recommendations for Board consideration
- VCE Board will consider CAC recommendations and staff analysis at the September 13 meeting



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Item 7: CAC Administration

- A. Progress Report Development**
- B. CAC Second Year Workplan, including reviewing IRP Action Plan Activities**
- C. Review/recommend update to CAC charge**
- D. Terms (length) of Members Appointment and how to stagger the terms**
- E. Solicitation of New Members/Appointment by Board**
- F. Task Group Assignments and Requests for Task Group Assistance**
- G. Recording of Board meetings**
- E. Long Range Calendar**

