

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 6

TO: Community Advisory Committee

FROM: Mitch Sears, Interim General Manager
Jim Parks, Director of Customer Care and Marketing

SUBJECT: Net Energy Metering Policy Amendment Update

DATE: August 29, 2018

RECOMMENDATION

1. Support Staff recommendation to amend the Net Energy Metering Policy as outlined in this report.

BACKGROUND

VCE staff learned of potential issues with the existing NEM policy and worked with the CAC, VCE Board and the public to develop recommendations to revise the policy and improve benefits to existing NEM customers. As a result, the Board approved (at the July 12 Board meeting) postponing NEM enrollment to 2019 and requested staff to hold public workshops to gather public input regarding possible changes to VCE's NEM policy. In response to that staff hosted two public workshops—one in Davis and one in Woodland. The NEM recommendations were presented at both workshops.

Workshop 1, Davis, July 23, 2018

The CAC received an update on this meeting during the July 30 CAC meeting.

The Davis workshop was full with over 90 people in attendance. Yvonne Hunter of the CAC moderated the session and Jim Parks provided a presentation describing the issues, identifying possible solutions and soliciting input from the public. Many, many questions were asked and most of them had to do with specific PG&E rates, how the new policy might impact them personally or clarifying questions from the presentation.

There were no significant requests to change the direction proposed by staff. Following the workshop, staff responded to several emails and calls and met personally with a few workshop participants—mostly to assist with additional questions that do not change the proposed approach.

Workshop 2, Woodland, August 1, 2018

The Woodland workshop had an overflow crowd of approximately 90. Similar to the first workshop, Yvonne Hunter moderated the session and Jim Parks presented the information.

Questions from participants were similar to the Davis workshop. Once again, there were no requests to change the proposed direction and there was a general sense of support for the proposed NEM policies.

Additional information on the workshops has been posted on the VCE website at <https://valleycleanenergy.org/solar-customers/>

UPDATE

Based on the input from the public workshops, interaction with CAC members and additional staff analysis, VCE staff made minor revisions to the proposed modifications. Below is a listing of the existing NEM policy and the Proposed NEM policy.

EXISTING NEM POLICY

1. Initial enrollment of NEM customers shall be on a monthly basis, based on PG&E true-up date;
2. Annual true-up for all NEM customers shall be held annually in April;
3. Cash-out only for NEM customers with \$100 or more in credits. NEM customers with less than \$100 in credits will have credit balance roll over to the next billing cycle (no loss of credits);
4. Credit NEM customers monthly for excess generation at retail plus \$0.005/kWh, without additional compensation for participation in renewable programs;
5. Settle NEM customers annually at the wholesale value of net surplus generation plus a \$0.005/kWh adder.

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;
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;
5. NEM customers may choose a monthly billing cycle in lieu of an annual billing and true-up cycle;
6. NEM customers will retain their existing 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.
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 April.
14. Customers adding solar systems beginning in 2019 will be placed on monthly billing and an annual true-up date consistent with their solar system start-up date.

Requested Action

- Review and discuss revised NEM policy
- Forward recommendations to the VCE Board of Directors for approval