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
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**

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- 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**

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- 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**

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

<table>
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<tr>
<th>Scenario</th>
<th># of Customers / % of NEM Customers</th>
<th>2018 ($1,000's)</th>
<th>2019 ($1,000's)</th>
<th>2020 ($1,000's)</th>
<th>2021 ($1,000's)</th>
<th>Running Average</th>
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<tr>
<td>Current NEM Policy</td>
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<td>$2,071</td>
<td>$10,377</td>
<td>$17,927</td>
<td>$22,261</td>
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<tr>
<td>All NEM to Annual (same as PG&amp;E)</td>
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<td>$2,126</td>
<td>$8,922</td>
<td>$16,296</td>
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<td>&gt;$1000 annually</td>
<td>228/3.3%</td>
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<td>$9,641</td>
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<td>&gt;$750 annually</td>
<td>413/5.9%</td>
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<td>$9,729</td>
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<td>&gt; $500 annually</td>
<td>882/12.6%</td>
<td>$2,126</td>
<td>$9,891</td>
<td>$17,269</td>
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- 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.
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
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