

# VALLEY CLEAN ENERGY ALLIANCE

## Staff Report – Item 16

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**TO:** VCE Board of Directors

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

**SUBJECT:** Net Energy Metering (NEM) Policy Change

**DATE:** February 13, 2020

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### REQUESTED ACTION

Approve a revision to the VCE NEM policy as detailed in this report.

### BACKGROUND

At the October 2019 VCE board meeting, the board approved changes to the NEM policy that allows existing VCE customers (customers that installed solar systems after our start-up in June 2018) to request annual billing. Prior to this change, the only option for existing VCE NEM customers was monthly billing. The policy became effective January 1, 2020. The policy states “The request must coincide with their existing PG&E true-up period.” The purpose for this statement was to protect available solar credits and to keep customers’ annual billing date consistent between VCE and PG&E. The SMUD billing system was designed to automatically true-up a customer account when the billing cycle changes, so a request to move from monthly billing to annual billing triggers a true-up.

### UPDATE

Since that time, customers have approached VCE staff to request a switch to annual billing that does not coincide with their annual PG&E billing cycle. Customers that request annual billing off-cycle from their annual PG&E true-up would get two true-up bills in the first year—one from PG&E for the delivery charges, and one from VCE for the generation charges. As an example, if a customer’s PG&E true-up month is November and they request a switch to VCE’s annual billing cycle in February, the customer would get a true-up upon their switch in February, then would get their annual true-up, for both PG&E delivery charges and VCE generation charges in November. Going forward, the customer would true-up both sides of the bill annually in November. Historically, NEM customers are used to one annual bill and this change would keep that intact except for the first year.

## REVISION TO APPROVED NEM POLICY

Staff recommends a policy modification based on customer feedback. NEM policy item #4 is the only section of the policy that would be amended. The revised policy is shown below in redline showing the addition and the strikeout.

4. NEM customers on monthly billing cycles may choose to adopt an annual billing cycle. It is recommended but not required that the request coincide with their existing PG&E true up period. ~~The request must coincide with their existing PG&E true up period.~~

This change will allow customers to switch to an annual billing cycle at any time during the year. When customers make this request, VCE and call center staff will inform them that 1) their off-cycle requests may result in two true-up bills in the first year and 2) their accounts will be trued-up when they switch. It is expected that a small number of customers will use this option, but the proposed change will provide VCE staff with the flexibility to accommodate these requests.