



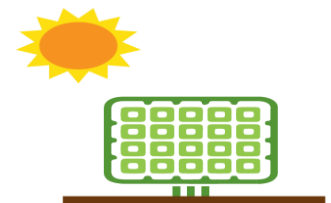
Valley Clean Energy NEM Policy Workshop

July 23, 2018 - Davis Community Chambers
August 1, 2018 - Woodland Council Chambers



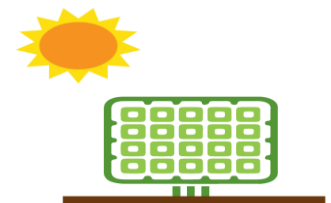
Agenda

- . Welcome and introductions
- . Goal of workshop
- . Background of VCE's NEM policy adoption process
- . Options under consideration
- . Audience questions and input
- . Next steps



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



Background of NEM Policy Adoption

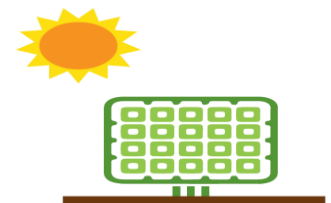
- Valley Clean Energy (VCE) went through a lengthy process to approve the existing Net Energy Metering (NEM) policy
- Used other successful Community Choice Aggregator (CCA) programs as models
- Current policy was reviewed by staff, Community Advisory Committee (CAC) and was made available to the public
- Current policy requires **monthly billing** and an **annual true-up in April** which is similar to most CCAs
- Current policy pays customers 1 cent/kWh more than PG&E for excess generation
- Current policy designed to balance customer needs and the cashflow requirements of VCE
- The policy was approved on Feb 8, 2018 by the VCE Board

CCA Policy Comparison - NEM

CCA	Excess Gen - Monthly	Excess Gen - Annual	True-Up	Settlement	Cash Out Limit
Peninsula Clean Energy	Retail plus \$0.01	Accumulated Credits	April	Monthly	>\$100 can elect cash out
MCE	Retail plus deep green (currently \$0.01)	Accumulated Credits	April	Monthly	>\$100 can elect cash out
Sonoma Clean Power	Retail plus \$0.01	Accumulated Credits	April	Monthly	>\$100 can elect cash out Cap on payout
Silicon Valley Clean Energy	Retail GreenPrime if enrolled	Accumulated Credits	April	Monthly	>\$100 can elect cash out Cap on payout
Lancaster Choice Energy	Retail	Accumulated Credits Credit not applied if annual net generation is less than zero.	October	Monthly	None – Always cashed out
Clean Power SF	Retail	Average retail rate	April	Monthly	None
PG&E	Retail	Wholesale, plus adder if given RECs	Annual based on enrollment	Annual, Monthly for some	None
Valley Clean Energy	Retail plus \$0.01	Wholesale plus \$0.01, plus adder if given RECs	April	Monthly	>\$100 can elect cash out

Feedback from Solar Contracting Community

- Local Solar community raised concerns that some NEM customers could pay more in their first year of service
- Staff initiated an examination of the VCE NEM policy to see if changes were warranted
- Several options were examined:
 - Existing policy with April true-up date and monthly billing
 - Move to the PG&E true-up date but retain monthly billing
 - Move to the PG&E approach—keep the existing true-up date, with annual billing and a monthly payment option
 - Hybrids of the above



Current NEM Policy Example

Example for September PG&E True-Up Under Current Model												
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
PG&E True-Up									\$ 100			
VCE Bill	\$100	\$ 50	\$ (50)	\$(100)	\$(100)	\$(100)	\$ -	\$ (50)	\$ 50	\$100	\$100	\$100
Running Total	\$450	\$500								\$150	\$250	\$350

- For a PG&E true-up date in September, this customer would pay \$500 by the VCE true-up date in April
- Most customers would pay less, some would pay more
- The customer would accrue \$400 in credits over the course of the summer and by the next true-up period would only owe \$100
- The customer would essentially be back on track, but would have spent \$500 out of pocket during the first year of VCE service

Proposed VCE Policy Follows PG&E Model

PG&E Model												
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Monthly Charges	\$100	\$ 50	\$ (50)	\$(100)	\$(100)	\$(100)	\$ -	\$ (50)	\$ 50	\$100	\$100	\$100
Annual True-Up									\$ 100			

- True-up month varies by customer and there will be true-ups every month of the year
- Most customers are billed annually, although some are on monthly billing cycles
- Seamless transition from PG&E to VCE
- **Customer remains whole**

Recommendations Approved by the VCE Board

Postpone NEM enrollment

- Postpone NEM enrollment to 2019 to allow for development/finalization of a modified policy and billing systems
- VCE Board directed staff to host public workshops to provide information and receive public input on proposed changes to NEM policy

Policy Amendment Concepts

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
- No issues with overpaying during the first year of service

Shift some NEM customers to monthly billing

- Shift the roughly 670 existing NEM customers (less than 10% of NEM customers), who consistently owe more than \$500/yr from an annual payment to monthly payments while maintaining their existing true-up date.
- Allow non-residential customers with >\$500 annual balance to request annual billing (less than 100 customers).

Policy Amendment Concepts

New NEM Customers

- Existing VCE customers that install solar PV after August 2018, consistent with VCE's existing NEM policy, will be placed on monthly billing with an April true-up.
- New move-ins are automatically enrolled with VCE
- Policy is under evaluation as well.

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)	Cumulative Difference
Current NEM Policy		\$ 2,071	\$ 10,377	\$ 17,927	\$ 22,261	
All NEM to Annual (same as PG&E)		\$ 2,126	\$ 9,431	\$ 16,250	\$ 20,622	\$ 1,639
>\$1000 annually	124 / 1.7%	\$ 2,126	\$ 9,504	\$ 16,508	\$ 20,882	\$ 1,379
>\$750 annually	255 / 3.5%	\$ 2,126	\$ 9,585	\$ 16,703	\$ 21,078	\$ 1,183
> \$500 annually	667 / 9.3%	\$ 2,126	\$ 9,767	\$ 16,988	\$ 21,366	\$ 895

- The cumulative net impacts (3 years) show an estimated difference of \$895k when placing the >\$500 customers on monthly billing
- Revenues are not recorded until true-up

We're Looking for Input

- What are your thoughts and ideas?

Next Steps

- Gather and distill input from workshops
- Staff will conduct analysis public input and options
- Community Advisory Committee will consider public input and staff analysis in forming recommendations
- VCE Board will consider CAC recommendations and staff analysis in September for action
- January 2019 – begin enrolling NEM customers into VCE service—customers will automatically be enrolled on their existing true-up date
- All NEM customers (that do not opt-out) will be enrolled with VCE by the end of 2019

Thank you for participating!

Join the Conversation

Sign up to receive notices of Board and Advisory Committee meetings and documentation:

<https://valleycleanenergy.org/get-in-touch/>

Provide comments at:

info@valleycleanenergy.org

ValleyCleanEnergy.org



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