

4. Motion to Amend Community Solar Rules

**Before
The Council of the City of New Orleans**

**RESOLUTION AND ORDER
ESTABLISHING A DOCKET AND
OPENING A RULEMAKING
PROCEEDING TO ESTABLISH RULES
FOR COMMUNITY SOLAR
PROJECTS**

**(Docket No. UD-18-03)
March 26, 2024**

**Joint Motion of Together New Orleans and The Alliance for Affordable Energy
to Amend Community Solar Rules**

Introduction

On March 28, 2019, the Council adopted Resolution No. R-190-111, establishing a set of Community Solar Rules. On August 29, 2019, Entergy New Orleans (“the Utility”) filed its initial Implementation Plan and, on January 10, 2020, its Supplemental Implementation Plan. On January 28, 2021, the Council of the City of New Orleans (“the Council”) adopted Resolution R-21-38, approving the Utility’s Supplemental Implementation Plan. On December 8, 2021, the Alliance for Affordable Energy filed its motion to Amend the Community Solar Rules requesting to amend Section II, changing the definition of “Low-Income Customers.” On February 3, 2022, the Council adopted R-22-76 Resolution and Order Amending the Community Solar Rules and approving the Alliance for Affordable Energy’s December 8, 2021, Motion to Amend the Community Solar Rules, modifying the definition of “Low Income Customers.” On July 13, 2022, Madison Energy Investments (“MEI”) filed a motion to amend the Community Solar Rules. On November 2, 2023, the Council adopted Resolution R-23-507 to amend the Solar Rules, making changes to the tariff rate for all customers, including additional amendments for Low-Income customers.

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Resolution R-23-507 directed Entergy to file a revised form CSG-4 and a revised rate schedule CSGF consistent with the resolution. Together New Orleans and the Alliance for Affordable Energy (“the Parties”), jointly file this motion to further amend the Community Solar Rules.

The redlined rules are attached as a document entitled “5. Redlined Community Solar Rules.”

I. Allow for the Net Crediting model of Utility-Consolidated Billing

In order to reduce barriers to participation, eliminate confusion, and streamline the experience of community solar for customers, the most successful community solar programs use a “net crediting” model of utility-consolidated billing. This method was pioneered in New York and has been increasingly adopted in other states nationwide.

Under the net crediting model, a Subscriber Organization designates a Guaranteed Savings Rate for a project, which represents the minimum percentage that customers will save on their monthly bills. Guaranteed savings were not previously contemplated in New Orleans’ community solar rules, but as they are essential to a functional net crediting model, the Parties added references in the redlines where appropriate. The industry-typical Guaranteed Savings Rate of 10% is the recommended baseline, although Subscriber Organizations able to provide higher savings will attract more customers. The same Guaranteed Savings Rate must be used for all net crediting customers within the same project.

Because the Guaranteed Savings Rate will always be at least 10%, customers are therefore guaranteed to save money on their bills each month. The Guaranteed Savings Rate reduces a Subscriber Organization’s reluctance to enroll customers based on creditworthiness or nonpayment concerns because the Subscriber Organization will receive the subscription fee

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every month regardless of whether customers pay their bill in full or on time. However, net crediting also benefits the Utility; the guaranteed savings lower the chance of a customer's underpayment or nonpayment, and avoid putting the Utility in the position of collecting a higher charge than it otherwise would have if the Subscribers were not enrolled in community solar. Therefore, it can be assumed that any partial payment or nonpayment would have happened even in the absence of the customer's community solar membership, and removes the risk that the amount of uncollectibles or the Utility's exposure will increase.

As the implementation of the net crediting model will create a cost savings for participating Subscription Organizations by eliminating their billing and collections costs, it is appropriate for the costs of implementation to be covered by those participants, rather than socialized among non-participating ratepayers. A fee of 1% of the total value of each bill credit, subtracted from the payment to the Subscription Organization, is the industry standard.

So, to summarize the math, if the total credit attributable to a project in a particular billing period is \$10,000, and the Guaranteed Savings Rate is 10%, the members should receive a total of \$1,000 (divided based on the allocation to each member), the Utility should retain \$100, and it should make a payment to the Subscription Organization of \$8,900. Functionally, net crediting splits the bill credits between a Subscriber Organization and its Subscribers, with a portion of the bill credit retained by the Utility to recover the costs of executing the billing.

Net crediting can be implemented with limited changes to the physical bill and requires only limited communications and data sharing between Subscription Organizations and Utilities. For each project, a Subscription Organization must provide:

- The list of customers

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- The portion of the project allocated to each customer (which correlates to their subscription fee)
- The Guaranteed Savings Rate percentage

This will allow the Utility to display on each customer's bill:

- The total value of the credits generated by their portion of the community solar project
- the subscription fee associated with their membership (less the fee charged by the Utility for billing services).
- i.e. their "net credit" (the 10% savings)

The use of the net crediting model would eliminate the need for a purchase-of-receivables (POR) method for subscription fees, since subscription fees would be withheld automatically from bill credits and paid directly to the Subscription Organization. This will reduce cost, complexity, and risks for both the Utility and the Subscription Organization.

Net crediting should be available for all customer classes, but each Subscriber Organization may exclude one large anchor customer for whom net crediting may not be preferable.

The Parties welcome suggestions that enable ENO to implement net crediting, recognizing that there may need to be an iterative process to introduce such a mechanism into ENO's billing system. The Parties suggest that within 30 days of the Council's action on this item, ENO submit a report to the intervenors in this docket about its existing billing system's capacity to implement net crediting. Over the following 6 months, we suggest that the Council direct ENO to work with the intervenors on this docket to develop and propose a workable method for net crediting. The Parties also offer to coordinate efforts with the National Renewable Energy Laboratory to provide technical support based on their experience working in other jurisdictions with

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successful community solar programs that have implemented net crediting. The redline attached provides requested rule changes that would enable net crediting.

II. Low-Income Customer Verification

Well-designed LMI community solar programs lift barriers that make the verification process less cumbersome and challenging for participants. Council Resolution R-23-507 requires that the Council will have provided guidelines for Low-Income verification by February 2, 2024. The parties have provided sample language in the attached rule redline for the Council to consider that will lower these barriers to entry and provide customers, subscriber organizations, and the utility with clear qualifications. Our recommended verification options include a) reciprocal qualifications with existing federal and state income-qualified programs requiring 60% Area Median Income or below, or b) residence in a census block with 60% or more households with 60% Area Median Income or below. The parties also strongly recommend removing the requirement in 4.8 for annual re-verification, which is administratively onerous.

III. Customer Protections

The Parties recommend adopting several nationwide best practices around customer financial and marketing protections, such as requiring Subscriber Organizations to forgo flat fees such as sign-up fees and termination fees, as well as providing customer documents electronically and in multiple languages. These are addressed in the redlined rules.

IV. Utility Data

Potential Subscriber Organizations would benefit from greater transparency regarding barriers and costs to interconnection. This is especially important in the initial phases of developing a

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project, which may hinge on a piece of available property that unbeknownst to the Organization may require significant upgrades to the distribution grid. We encourage the Council to recommend such data to be readily available, such that potential Subscriber Organizations may identify or decline to pursue sites earlier in the process. Examples of useful data include:

- A hosting capacity map that shows line voltages and how much capacity each line has for solar interconnection, or
- Estimate sheets for common upgrades that generators of less than 5MW might experience. For reference, New York's Joint Utilities Cost Matrix spreadsheet can be seen at the New York State's Department of Public Service Website¹.

V. Processing of CSG Facility Applications

Entergy currently holds the cards on the interconnection timeline, which may be a challenge for development. For example, the Utility currently has no requirement to provide feasibility or facilities studies in a timely manner. We urge the Council to include a recommended timeline in the rule, as suggested in the redline. The Parties recognize that supply chains or other events may create unforeseen challenges, so language allowing waivers for such events may be included.

VI. Deposit

The Deposit section in the rules is addressed at further length in ENO's filing; our suggestions on this important topic are therefore addressed in our response to the filing. To ensure that the rules are consistent with the filing, we struck out the relevant sections in the rules.

¹ <https://dps.ny.gov/statewide-interconnection-technical-documents>.

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VII. Conclusion

The Parties are aware that the Council is supportive of Community Solar, and new federal funding supporting Community Solar is expected this year. We respectfully submit these requests and patiently await response from the Council.

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Broderick Bagert, Jr.
Together New Orleans

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Logan Atkinson Burke

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**Before
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**Re: RESOLUTION AND ORDER ESTABLISHING A DOCKET AND OPENING A
RULEMAKING PROCEEDING TO ESTABLISH RULES FOR COMMUNITY SOLAR
PROJECTS (Docket No. UD-18-03)**

CERTIFICATE OF SERVICE

I do hereby certify that I have, this 26 day of March 2024, served the foregoing correspondence upon all other known parties of this proceeding by electronic mail.

DocuSigned by:

Broderick Bagert

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Broderick Bagert, Jr.
Together New Orleans