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IRRC

MOYER COMMENTS (Part 2)
COMPENSATION AND BILLING

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– 75.13[d](e) –

Comments for consideration by the IRRC

RE: Final Rulemaking Order of the Public Utility Commission (Docket No. L-2014-2404361)

Addressing section 75.13[d](e) on October 3, 2014, the IRRC raised the critical issue of “compensation” for customer-generators who operate renewable systems. Although the comments are brief and general, they target a critical gap in both the Proposed and the Final Form Rulemaking. The IRRC’s call for “a more precise and less costly alternative to the proposed language” is both perceptive and urgent.

The IRRC also cites a commentator’s concern about the “exact methodology to make the required determinations” (IRRC comments at 6). These “required determinations” (i.e. the computations for all net metering data) are a function of the billing process. Regrettably, the billing process for net metering differs widely from one utility to another. Currently, for net metering customers, there are no uniform billing standards that are specific either for physical meter aggregation or for virtual meter aggregation. Much more must be done so that the generation credits are computed and reported in more transparent, more consistent, and more “precise” ways.

The first step in resolving and “clarifying” this issue is to adopt uniform billing standards or protocols. This is especially crucial for virtual meter aggregation, which involves multiple meters and is, consequently, more complicated. At present, for example, monthly bills are not required to report current meter readings from the generation meter; monthly bills are not

required to show actual kilowatt hours of generation; monthly bills are not required to show the value of the generation on a per-unit (per-kWh) basis. These omissions, and others, are indefensible, but they've been allowed to persist.

The Final Form Regulations, in 75.13[(e)](f), also refer to a "service agreement", but there is no such document that specifies the billing procedures or the terms of compensation that will be followed for customer-generators. Until such standard "service agreements" are adopted, there can be no hope for a consistent or reliable methodology. Notably, according to the Pa. Code, EDC's (DSP's) and EGS's must comply with the same rules for billing. The Code, in 52 Pa. Code § 54.4(b), clearly says that "The default service provider (DSP) will be considered to be an EGS for the purposes of this section."

A second, and urgent, step in developing a viable methodology for "compensation" is to automate the billing process. First Energy reports that, in 2013, it "spent significant time and capital to automate the process" (FRO at 67). Their example points in the right direction, even though their methods are not described in detail. Automation is, again, especially crucial for virtual meter aggregation, where multiple meters must be aggregated.

PPL Electric, meanwhile, has explicitly resisted automation, acknowledging that it "manually aggregates any excess generation" (Docket # C-2011-227364 - *Larry Moyer vs. PPL Electric*: Rebuttal testimony at 18). PPL Electric's "manual" procedures for generating monthly bills is especially tedious and complicated (as shown in their ten-page, multi-step process), and is subject to many irregularities.

The definition of virtual meter aggregation specifies that the aggregation is to be done "by means of the EDC's billing process" (75.12 – "virtual meter aggregation"), but that process is poorly-defined and subject to the whim of the utility company. Automation of billing

procedures for all net metering should be embraced, especially in this age of “big data” and “smart metering”.

A third step in producing fair and uniform compensation procedures is to remove the “penalties” that are now imposed on residential customers with virtual meter aggregation. Those “penalties” will be discussed in separate comments. (See Moyer Comments - Part 3).

Accurate compensation for customer-generators cannot be assured without more precise methodology, both in billing and in the way value is computed.

Thank you for your consideration of these comments.

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