

Proposal Concerning Modifications to LIPA's Tariff for Electric Service

Requested Action:

The Authority is requesting to adopt an amended version of the Uniform Business Practices for Distributed Energy Resource Suppliers Manual as set forth in the New York Public Service Commission ("PSC") Order¹ which approved its first regulations governing the relationship between distributed energy resource companies and their customers.

Background:

Through the Reforming the Energy Vision ("REV") initiative, the increased deployment and integration of Distributed Energy Resources ("DERs") has become increasingly common and also a significant part of electric service to customers.

The Commission, which has the responsibility of ensuring that customers are protected, determined that with the increased prevalence of customers participating in DER markets and associated programs additional action was required to ensure that customers understand the costs and benefits of their investments and are afforded protection from confusion, fraud, and abusive marketing. Additionally, clear guidance on appropriate marketing and contracting practices will create a fair market for DER suppliers and support reasonable competition between suppliers and between various DER options.

The Commission concluded that a manual of Uniform Business Practices ("UBP") can effectively create a robust set of protections for New Yorkers participating in the evolving DER programs and markets, while ensuring that small and innovative businesses will not be overburdened. As a result of the Order², New York utilities were directed to include a Uniform Business Practices for Distributed Energy Resource Suppliers Manual as an addendum to their gas and electric tariffs. The manual includes the following:

- General Marketing Standards for DER suppliers to prevent misleading and deceptive conduct.
- Responsibility of contractors and other third party agents of DER suppliers.
- Customer inquiries and complaints/oversight requirements and consequences for violations.
- Provisions specific to Community Distributed Generation ("CDG") and On-Site Mass Market providers, which include the following.
 - Registration Requirements - sets forth the process that CDG Providers and On-Site Mass Market DG Providers are required to follow in order to register with the Department of Public Service.
 - Enhanced Marketing and Advertising Standards – enhanced standards that CDG Providers, On-Site Mass Market DG Providers and their marketing representatives must follow when marketing and advertising products and services to potential mass market customers in New York.
 - Minimum Standards For Sales Agreements – establishes minimum standards for sales agreements between CDG and On-Site Mass Market DG Providers ("Providers") and mass market customers.
 - Standard Customer Disclosure Statements – shall be provided to all customers of CDG or On-Site Mass Market DG Providers as part of the sales agreement.

¹ New York Public Service Commission - Order Establishing Oversight Framework and Uniform Business Practices for Distributed Energy Resource Suppliers, Case 15-M-0180, October 19, 2017.

² Ibid.

- Customer Inquiries And Complaints – establishes requirements for responses by a CDG or On-Site Mass Market DG Provider to customer inquiries concerning CDG products or services.
- Reporting Requirements – each CDG or On-Site Market DG Provider shall file an annual report containing information for the previous calendar year including aggregate number of customers served, a summary of services provided, and information on the number and classification of complaints received.

Proposal:

The Authority is proposing to effectuate the oversight envisioned in the New York Uniform Business Practices for Distributed Energy Resource Suppliers Manual in the Authority’s service territory. Staff proposes to insert the New York business practices as an addendum to the Authority’s Tariff for Electric Service in order to be consistent with the rest of the utilities in the State, which have already adopted such practices.

The Authority proposes to adopt a manual of Uniform Business Practices for Distributed Energy Resource Suppliers (“UBP-DERS-LIPA”) in the LIPA Service Territory with the following modification: If the Department of Public Service (the “Department”) finds that a consequence for failure or non-compliance with the UBP-DERS-LIPA is warranted, the DER supplier fails to take corrective action, and enforcement of the consequence involves Authority programs, tariffs, or data, then the Department will provide a written recommendation to the Authority as to the appropriate consequence to be imposed by the Authority.

Financial Impacts:

This proposal is not expected to have any financial impact on the Authority. This proposal only addresses procedural rules and changes for DER providers.

Affected Tariff Leaf: 6C and Addendum: The Business Practices for Distributed Energy Resource Suppliers Manual.

Summary of Proposed Changes:

To add an addendum to the Electric Service Tariff to include a manual of Business Practices for Distributed Energy Resource Suppliers, this will allow the Department and the Authority to monitor DER providers in the Authority’s service territory.

Table of Contents (continued):

Additional Documents

Uniform Business Practices for Distributed Energy Resource Suppliers in the LIPA Service Territory (UBP-DERS-LIPA)

Feed-In Tariff Solar Power Purchase Agreement ("PPA")

Long Island Choice Operating Procedures ("Operating Procedures")

Smart Grid Small Generator Standardized Interconnection Procedures ("Smart Grid SGIP")

Specifications and Requirements for Electrical Installations ("Red Book")

Submetering Procedures ("Requirements for Residential Submetering")

**Uniform Business Practices for Distributed Energy Resource Suppliers in the
LIPA Service Territory (UBP-DERS-LIPA)**

EFFECTIVE DATE: JANUARY 1, 2019

Table of Contents

SECTION 1: DEFINITIONS	3
SECTION 2: GENERALLY APPLICABLE PROVISIONS FOR DER SUPPLIERS	6
SECTION 2A: SALES AGREEMENTS	6
SECTION 2B: GENERAL MARKETING STANDARDS	6
SECTION 2C: CUSTOMER DATA	6
SECTION 2D: RESPONSIBILITY FOR CONTRACTORS AND OTHER THIRD PARTY AGENTS	8
SECTION 2E: CUSTOMER INQUIRIES AND COMPLAINTS	8
SECTION 2F: CONSEQUENCES FOR VIOLATIONS	8
SECTION 2G: OVERSIGHT REQUIREMENTS	10
SECTION 3: PROVISIONS SPECIFIC TO CDG AND ON-SITE MASS MARKET DG PROVIDERS	10
SECTION 3A: REGISTRATION REQUIREMENTS	10
SECTION 3B: ENHANCED MARKETING AND ADVERTISING STANDARDS	12
SECTION 3C: MINIMUM STANDARDS FOR SALES AGREEMENTS	14
SECTION 3D: STANDARD CUSTOMER DISCLOSURE STATEMENTS	15
SECTION 3E: CUSTOMER INQUIRIES AND COMPLAINTS	15
SECTION 3F: REPORTING REQUIREMENTS	16

SECTION 1: DEFINITIONS

As used in these Uniform Business Practices for Distributed Energy Resource Suppliers in the LIPA Service Territory (UBP-DERS-LIPA), the following terms shall have the following meanings:

Authority - The Long Island Power Authority. Depending on usage, this term may include or refer to the Authority's subsidiary which owns the electric transmission and distribution system, and/or the Manager which is responsible for providing services on behalf of the Authority and/or its subsidiary under the terms of the Amended and Restated Operations Services Agreement between Long Island Lighting Company d/b/a LIPA and PSEG Long Island LLC dated as of December 31, 2013.

CDG Provider – An entity that is acting or planning to act as a CDG Sponsor for one or more CDG projects, or that is otherwise engaged in soliciting customers, members, or subscribers for a CDG project or CDG projects, through its own employees or agents, on its own behalf. A CDG Sponsor is the entity that organizes, owns, and/or operates a CDG project.

CDG Marketing Representative - An entity that is either a CDG Provider or an agent conducting, on behalf of the CDG Provider, any marketing activity that is designed to result in the enrollment of customers with the CDG Provider.

Commission – The New York State Public Service Commission (PSC).

Customer Inquiry – A question or request for information from a customer relating to a rate, term, or condition of service provided by a DER supplier, distribution utility, DSP, or other service provider.

Customer Service Representative (CSR) – An employee or agent of a CDG Provider responsible for responding to customer inquiries and complaints.

Department – The New York State Department of Public Service.

Distributed Energy Resources (DER) – A broad category of resources including end-use energy efficiency, demand response, distributed storage, and distributed generation.

Distributed Energy Resource (DER) Supplier – A supplier of one or more DERs that participates in an Authority authorized or DSP-operated program or market. Suppliers may choose to provide DERs as stand-alone products or services, or may choose to bundle them with energy commodity. CDG Providers and On-Site Mass Market DG Providers are included within the definition of DER suppliers. Entities which sell both DERs and energy commodity are both DER suppliers and ESCOs.

Distributed Energy Resource (DER) Supplier Marketing Representative – An entity that is either the DER supplier or an agent conducting, on behalf of the DER supplier, any marketing activity that is designed to enroll customers with the DER supplier. CDG Marketing Representatives and On-Site Mass Market DG Marketing Representatives are also a DER Supplier Marketing Representatives.

Distributed System Platform (DSP) – The DSP is an intelligent network platform that will provide safe, reliable and efficient electric services by integrating diverse resources to meet customers' and society's evolving needs. The DSP fosters broad market activity that monetizes system and social values, by enabling active customer and third party engagement that is aligned with the wholesale market and bulk power system.

Electronic Data Interchange (EDI) – The computer-to-computer exchange of routine information in a standard format using established data processing protocols. EDI transactions are used in retail access programs to switch customers from one supplier to another or to exchange customers' history, usage or billing data between a distribution utility or Meter Data Service Provider and an ESCO.

Transaction set standards, processing protocols, and test plans are authorized in orders issued by the Public Service Commission in Case 98-M-0667, In the Matter of Electronic Data Interchange, and available on the Department of Public Service website at: <http://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=98-m-0667&submit=Search+by+Case+Number>.

Energy Services Company (ESCO) – An entity eligible to sell electricity to end-use customers using the transmission or distribution system of the Authority. ESCOs may perform other retail service functions.

Interval Data – Actual energy usage for a specific time interval for a specific period recorded by a meter or other measurement device.

Large Customer – An Authority customer that is a non-residential demand-based customer.

Where a DER supplier or DER supplier marketing representative does not have sufficient information to determine whether a customer is a mass market or a large customer, that customer should be treated as a mass market customer unless and until the DER supplier or DER supplier marketing representative acquires sufficient information and determines that the customer is a large customer.

Load Profile – Actual or estimated customer energy usage by interval over a period representing usage for a customer or average usage for a customer class.

Manager - PSEG Long Island LLC, through its operating subsidiary Long Island Electric Utility Servco LLC, the entity engaged by the Authority to operate, maintain, and manage LIPA's electric system and act as LIPA's agent pursuant to the terms and conditions of the Operations Services Agreement. Nothing herein shall be read to change or modify Manager's duties and obligations or create any liability on the part of Manager beyond that set forth in the Operations Services Agreement.

Mass Market Customer – An Authority customer that is a residential or small commercial service class and is not billed based on peak demand.

Where a DER supplier or DER supplier marketing representative does not have sufficient information to determine whether a customer is a mass market or a large customer, that customer should be treated as a mass market customer unless and until the DER supplier or DER supplier marketing representative acquires sufficient information and determines that the customer is a large customer.

Marketing – The publication, dissemination or distribution of informational or advertising materials regarding a DER supplier's services and products to the public by print, broadcast, electronic media, direct mail or by telecommunication.

Meter – A device that measures the units of electric or natural gas service supplied to consumers.

New York State Independent System Operator (NYISO) – An independent management organization, authorized by the Federal Energy Regulatory Commission, operating the bulk electric transmission system and wholesale electric market.

Office of Consumer Services (OCS) – Office within the Department of Public Service that receives consumer complaints and makes determinations concerning customer complaints. OCS identifies the exiting Office or its successor in the event that the Office name is changed.

On-Site Mass Market DG Provider – An entity that is engaged in soliciting mass market customers for a project or service that involves the installation of distributed generation equipment, such as solar panels, on the property of those mass market customers, through its own employees or contractors, on its own behalf rather than as a contractor.

On-Site Mass Market DG Marketing Representative - An entity that is either an On-Site Mass Market DG Provider or an agent conducting, on behalf of the Provider, any marketing activity that is designed to result in the enrollment of customers with the Provider.

Plain Language – Clear and coherent language using words with common and everyday meanings and avoiding legal or energy industry terms, acronyms and abbreviations that a person of ordinary circumstances should not be expected to understand. If the use of a technical term is necessary, the term must be clearly defined in the portion of the text where it is used.

Residential Customer – A person or entity receiving service under a SC-1 service classification.

Sales Agreement – An agreement between a customer and a DER supplier that contains the terms and conditions governing the provision of products and services by a DER supplier. The agreement may be a written contract signed by the customer or a statement supporting a customer's verifiable verbal or electronic authorization to enter into an agreement with the DER supplier for the products and services specified.

Termination Fee – A fee specified in a DER supplier sales agreement that may be charged to a customer for terminating the sales agreement before the end of the term described in that agreement, regardless of whether the assessed amount is identified as a fee, a charge, liquidated damages or a methodology for the calculation of damages, and regardless of whether it is fixed, scaled or subject to calculation based on market factors.

Dynamic Load Management Program – A program designed to reduce load in periods or places of high demand, including but not limited to peak shaving programs, local distribution reliability programs to address local reliability needs, and direct load control programs.

SECTION 2: GENERALLY APPLICABLE PROVISIONS FOR DER SUPPLIERS

Applicability: The provisions of these sections apply to all DER suppliers that participate in a Authority DSP-operated program or market with respect to transactions between the DER supplier and the customer of the Authority. These provisions are designed to ensure that accurate information is provided to customers and will require minimal or no changes to existing DER supplier business practices.

SECTION 2A: SALES AGREEMENTS **(Generally Applicable)**

- A. A DER supplier shall obtain a customer's consent to a sales agreement prior to billing a customer or enrolling a customer in a DSP, Authority, and NYSEERDA.
 - 1. The sales agreement may be a written contract signed by the customer or the customer's verbal or electronic authorization to enter into an agreement with the DER supplier for the products and services specified.
 - 2. A DER supplier entering into a sales agreement for a large or ongoing transaction (as defined below) shall retain the sales agreement and record of customer consent for at least two years or the length of the agreement, whichever is longer.
 - a. A large transaction is any transaction in which a customer makes a payment to a DER supplier of \$500 or more.
 - b. An ongoing transaction is any transaction which, regardless of the size of the transaction, either (a) results in the DER supplier billing the customer for a period of three or more months or (b) results in the DER supplier enrolling the customer in a program through which the customer or the DER supplier will receive compensation, including bill credits, for a period of three or more months.

SECTION 2B: GENERAL MARKETING STANDARDS **(Generally Applicable)**

- A. DER supplier shall:
 - 1. Not engage in misleading or deceptive conduct as defined by state or federal law or regulation, Authority rule, or Commission rule or Order;
 - 2. Not make false or misleading representations including misrepresenting rates or savings offered by the DER supplier;
 - 3. Provide a mass market customer upon request with written information regarding the DER supplier and its products or services or with a website address at which information can be obtained;
 - 4. Use reasonable efforts to provide accurate and timely information about services and products. Such information will include information about rates, contract terms, termination fees and right of cancellation;
 - 5. Ensure that any product or service offering that is made by a DER supplier in a transaction with a mass market customer contains information written in plain language that is designed to be understood by the customer. This shall include providing any written information to the customer in a language in which the DER supplier representative has substantive discussions with the customer or in which a contract is negotiated;
 - 6. Comply with local laws and regulations regarding door-to-door marketing;
 - 7. Comply with the state and federal laws regarding telemarketing, including the Do-Not-Call law;
 - 8. Cooperate with the Department and Authority regarding the practices prescribed by these UBP-DERS-LIPA and with other regulatory entities, including law enforcement, in investigations concerning deceptive marketing practices.

SECTION 2C: CUSTOMER DATA

- A. Applicability. This Section establishes practices for release and protection of customer information by the Authority or DSPs to DER suppliers using EDI. It also identifies the content

of information sets transmitted using EDI standards. The Authority or DSP and a DER supplier shall use standards, systems, and protocols developed for these purposes for transmittal of customer information. This section does not impose any obligations on DER suppliers that do not request or receive data using EDI.

B. Customer Authorization Process: The Authority or DSP shall provide information about a specific customer requested by an EDI-eligible DER supplier authorized by the customer to receive the information.

1. In obtaining customer authorization, a DER supplier shall inform the customer of the types of information to be obtained, to whom it will be given, how it will be used, and how long the authorizations will be valid. The authorization is valid for no longer than six months unless the sales agreement provides for a longer time.
2. The Authority or DSP shall assume that a DER supplier obtained proper customer authorization if the DER supplier submits a valid information request, as defined in EDI rules.
3. A DER supplier shall retain, for a minimum of two years or for the length of the sales agreement, whichever is longer, verifiable proof, including but not limited to a recording or signed writing, of authorization for each customer. Verification record shall be provided by a DER supplier, upon request of the Department, within five calendar days after a request is made after a request is made. Locations for storage of the records shall be at the discretion of the DER supplier.
4. Upon request by a customer, the Authority or DSP shall block access by DER suppliers to information about the customer.
5. A DER supplier and its agent shall comply with statutory and regulatory requirements pertaining to applicable state and federal do-not-call registries.

C. Customer Information Provided to DER suppliers

1. Release of Information: The Authority shall respond within three business days to valid requests for information as established in EDI transaction standards and within seven business days to requests for data and information for which an EDI transaction standard is not available. The Authority shall provide the reason for rejection of any valid information request including for reasons of a DER suppliers' non-compliance with the UBP-DERS-LIPA.
2. Customer Contact Information Set: The Authority, to the extent it possesses the information, shall provide, upon a DER supplier request, consumption history for an electric account.
 - a. Consumption history³ for an electric account shall include:
 1. Customer's service address;
 2. Electric account number;
 3. Sales tax district used by the Authority and whether the Authority identifies the customer as tax exempt;
 4. Rate service class by meter, where applicable;
 5. Electric load profile reference category or code, which indicates the customer's peak electricity demand;
 6. Customer's number of meters and account numbers;
 7. Usage type (e.g., kWh), reporting period, and type of consumption (actual, estimated, or billed);
 8. Whether the customer's commodity service is currently provided by the utility;
 9. 12 months, or the life of the account, whichever is less, of customer data and, upon separate request, an additional 12 months, or the life of the account, whichever is less, of customer data, and, where applicable, demand information⁴; if the customer has more than one account, the Authority or DSP shall provide the applicable information, if available, for each account; and

³ The Authority, in addition to EDI transmittal, may provide web-based access to customer history information

⁴ May provide data for a standard 24 months or life of the account, whichever is less.

10. Electronic interval data in summary form (billing determinants aggregated in the rating periods under the Authority's tariff), and if requested in detail, an acceptable alternative format.
- D. Charges for Customer Data: Are described in the Authority's tariff.
 - E. Unauthorized Information Release. A DER supplier, its employees, agents, and designees, is prohibited from selling, disclosing or providing any customer information obtained from the Authority or DSP, in accordance with this Section, to others, including their affiliates, unless such sale, disclosure or provision is required to facilitate or maintain service to the customer or is specifically authorized by the customer or required by legal authority. If such authorization is requested from the customer, the DER supplier shall, prior to authorization, describe to the customer the information it intends to release and the recipient of the information.
 - F. NIST Cybersecurity Framework. DER suppliers that obtain customer information from the Authority or DPS must have processes and procedures in place regarding cybersecurity consistent with the National Institute of Standards and Technology Cybersecurity Framework.
 - G. Data Security. DER suppliers that obtain customer information from the Authority or DSP must comply with any data security requirements imposed by the Authority or by Commission rules on ESCOs and/or any data security requirements associated with EDI eligibility.

SECTION 2D: RESPONSIBILITY FOR CONTRACTORS AND OTHER THIRD PARTY AGENTS
(Generally Applicable)

- A. If a DER supplier enlists a third party to assist them in marketing, data collection or analysis, billing, or any other activity, that DER supplier is responsible for making commercially reasonable efforts to ensure that the third party's activities conform with the relevant regulations and requirements.
- B. The provisions of the preceding subsection also apply when a DER supplier purchases a list of potential customers or similar information from a third party that assembled that list through its own advertising. In such cases, the DER supplier purchasing the list is responsible for making reasonable efforts to ensure that the list was not assembled through deceptive marketing.

SECTION 2E: CUSTOMER INQUIRIES AND COMPLAINTS
(Generally Applicable)

- A. Department Staff will accept inquiries and complaints related to DER suppliers and will make efforts to investigate and resolve those complaints and, if necessary, bring those complaints to the Authority for consideration in accordance with the Authority's Tariff for Electric Service.
- B. For customers of large or ongoing transactions, as defined in Section 2A.A.2, DER suppliers must retain summary complaint records for at least two years from the date of the transaction or for the length of the agreement, whichever is longer.

SECTION 2F: CONSEQUENCES FOR VIOLATIONS
(Generally Applicable)

- A. A DER supplier may be held responsible for actions by its officers, its employees, and contractors or other third-party agents acting on its behalf or under its direction. In addition, a DER supplier purchasing a customer list or similar information or services from a third-party marketer is responsible for making reasonable efforts to ensure that the list was not assembled in a manner inconsistent with the UBP-DERS-LIPA.

- B. A DER supplier may be subject to the consequences listed in UBP-DERS-LIPA Section 2F.C.2. for reasons, including, but not limited to:
1. False or misleading information in the registration package required of CDG and On-Site Mass Market DG Providers;
 2. Failure to adhere to the policies and procedures described in its sales agreement;
 3. Enrolling a customer in a DSP, Authority, NYSEERDA, Commission, or Department-run or authorized program or billing a customer without obtaining that customer's consent through a sales agreement or similar method;
 4. Failure to comply with required customer protections;
 5. Failure to comply with relevant reporting requirements or the Authority and/or the Department oversight requirements;
 6. Failure to provide notice to the Department of any material changes in the information contained in the Registration Form or registration package, if required;
 7. Failure to comply with the UBP-DERS-LIPA;
 8. Failure to comply with procedures, protocols or practices for communicating with the Authority's as required by UBP-DERS-LIPA;
 9. Failure to comply with other DER Commission Orders, Rules or Regulations; or
 10. A material pattern of consumer complaints on matters within the DER supplier's control.
- C. In determining the appropriate consequence for a failure or non-compliance in one or more of the categories set forth in UBP-DERS-LIPA Section 2F.B., the Department may take into account the nature, the circumstances, including the scope of harm to individual customers, and the gravity of the failure or non-compliance, as well as the DER supplier's history of previous violations and whether the DER supplier has taken any actions or made any commitment to remediate any harm caused by the violation.
1. The Department shall:
 - a. Either (a) notify the DER supplier in writing of its failure to comply and request that the DER supplier take appropriate corrective action or provide remedies within the directed cure period, which will be based on a reasonable amount of time given the nature of the issue to be cured; or (b) order that the DER supplier show cause why a consequence should not be imposed.
 - b. The Department or, if involving Authority programs, tariffs or data, Authority, the Authority upon the recommendation of the Department may impose the consequences listed in subparagraph C.2.(a-b) if the DER supplier fails to take corrective actions or provide remedies within the cure period;
 - c. Consequences shall not be imposed until after the DER supplier is provided notice and an opportunity to respond.
 2. Consequences for non-compliance in one or more of the categories set forth in UBP-DERS-LIPA Section 2F.B. may include one or more of the following restrictions on a DER supplier's access to information, programs, or tariffs.:
 - a. Suspension from enrolling new customers in the Authority's programs and tariffs;
 - b. Suspension of the ability to acquire customer data from the Authority;;
 - c. Imposition of requirements to modify procedures to obtain customer authorization for purchase, and to verify such customer authorization;
 - d. Imposition of requirements to modify procedures regarding the protection of consumer information; and
 - e. Imposition of a requirement to file a customer service improvement plan to the Department identifying actions to be taken and timelines to improve customer service, and/or a requirement to file periodic reports to the Department identifying the extent to which the customer service improvement plan is achieving its objectives.
 - f. Revocation of a DER supplier's eligibility to access programs, tariffs, or solicitations initiated or controlled by the Authority and/or acquire customer data by means established by the Authority; and
 - g. Any other measures that the Commission may deem appropriate.

3. The Department may give a DER supplier the option to avoid consequences or face lesser consequences on the condition that it provide refunds, corrective pricing, or other remedies to customers impacted by its violation.

SECTION 2G: OVERSIGHT REQUIREMENTS
(Generally Applicable)

- A. Applicability: This Section establishes requirements for DER suppliers to assist the Authority and the Department in monitoring the development, conduct and performance of New York's energy markets.
- B. All DER suppliers shall:
 1. Provide information on complaints received regarding DER products and services, as requested by the Authority or the Department.
 2. Provide information as requested by Department Staff, in relation to its efforts in monitoring the development, conduct and performance of energy markets. Such information requests may be through informal requests or interrogatories, including but not limited to, information regarding the DER supplier's business operations and financials.
 3. Permit Department Staff to examine the books, accounts, contracts, records, and documents of the DER supplier.
 4. Permit Department Staff to access any information needed to audit the DER supplier and cooperate with Department Staff's conducting of such an audit.

SECTION 3: PROVISIONS SPECIFIC TO CDG AND ON-SITE MASS MARKET DG PROVIDERS

Applicability: The provisions of these sections apply to all CDG Providers and On-Site Mass Market Distributed Generation (DG) providers.

SECTION 3A: REGISTRATION REQUIREMENTS
(CDG and On-Site Mass Market DG Providers)

- A. Applicability. This Section sets forth the process that CDG Providers and On-Site Mass Market DG Providers are required to follow to register with the Department.
- B. Registration Package.
 1. Registrants planning to become CDG or On-Site Mass Market DG Providers are required to submit to the Department a registration package containing the following information and attachments:
 - a. A completed Registration Form. The registration form will be available on the Department's website, www.dps.ny.gov, no later than October 30, 2017 and will be included in this document as Attachment 2. Information that must be provided on or attached to the registration form includes:
 1. Name, postal and e-mail addresses, and telephone and fax numbers for the registrant's main office;
 2. Names and addresses of any entities that hold ownership interests of 10% or more in the CDG or On-Site Mass Market DG Provider, including a contact name for corporate entities and partnerships;
 3. Detailed explanation of any criminal or regulatory sanctions imposed during the previous 24 months against the CDG or On-Site Mass Market DG Provider, any senior officers of the DER supplier, or any entities holding ownership interests of 10% or more in the CDG or On-Site Mass Market DG Provider;
 4. Disclosure of any decisions or pending escalated regulatory actions in other states that affect the CDG or On-Site Mass Market DG Provider's ability to operate, such as suspension, revocation, or limitation of operating authority;
 5. A list and description of current investigations involving the CDG or On-Site Mass Market DG Provider being conducted by law enforcement or

- regulatory entities.
 - 6. A summary of the registrant's history of bankruptcy, dissolution, merger, or acquisition in the 24 months immediately preceding the date of application;
 - 7. Detailed explanation regarding ongoing investigations by the US Securities and Exchange Commission, the US Department of Justice, or the US Federal Energy Regulatory Commission;
 - 8. Identification of the employee(s) responsible for resolving consumer complaints received by the Department;
 - 9. A list of material categories of CDG or On-Site Mass Market products or services that will be offered and the customer classifications (*i.e.*, residential, small/mid-sized non-residential) to whom they will be offered;
 - 10. A list and description of any security breaches associated with customer proprietary information in the last 24 months, as well as a thorough description of the actions taken in response to any such instances.
- b. Sample sales agreements and sample bills for each customer class for each material category of the CDG or On-Site Mass Market products or services that will be offered; and
 - c. Proof of registration with the New York State Department of State.
- 2. The Department shall maintain a list of CDG and On-Site Mass Market DG Providers that successfully complete these requirements.
 - 3. A CDG Provider or On-Site Mass Market DG Provider that knowingly makes false statements in its registration package shall be subject to denial or revocation of eligibility.
 - 4. If the registration package contains information that is a trade secret or sensitive for security reasons, the registrant may request that the Department withhold disclosure of the information, pursuant to the New York State Freedom of Information Law (Public Officers Law Article 6) and Public Service Commission regulations (16 NYCRR §6-1.3).
- C. Department Review Process
- 1. The Department shall review each registration package submitted. The CDG Provider or On-Site Mass Market DG Provider shall immediately notify the Department of any material changes in the information submitted in the Registration Form and/or registration package that occurs during the Department review process. The Department shall notify the registrant, in writing, of any deficiencies in the registration package. The CDG Provider must modify the registration package in response to such a notification within 30 days.
 - 2. If the modified package does not remedy the deficiency identified by Staff, the Department shall notify the CDG or On-Site Mass Market DG Provider in writing and, to the extent the matter involves Authority tariffs, programs, or data, shall refer the matter, together with a recommended resolution, to the Authority for its consideration.
 - 3. For CDG Providers or On-Site Mass Market DG Providers that begin operating in New York State after April 1, 2019, a registration package must be submitted and approved before the CDG Provider or On-Site Mass Market DG Provider begins marketing to customers. It is expected that Department Staff will review the registration package within 30 days of submittal and notify the registrant, in writing, either that the registration is accepted as complete or that deficiencies exist in the registration package.
- D. Maintaining Active Status
- 1. CDG Providers and On-Site Mass Market DG Providers shall submit by March 31 of each year (March 31 Statement):
 - a. A statement that the information and attachments in its Registration Form and registration package are current; or
 - b. A description of revisions to the Registration Form and registration package along with a copy of the revised portions; and
 - 2. A CDG or On-Site Mass Market DG Provider shall update all the information it submitted in its original registration package to the Department every three

years, starting from the filing date of its registration package. A Provider's status as an eligible provider is continuous from the filing date of its registration package, unless revoked or otherwise limited in accordance with UBP-DERS-LIPA Section 2F. If the three-year anniversary falls within one month of April 1, the Provider shall resubmit its registration package in lieu of the April 1 statement.

3. A CDG or On-Site Mass Market DG Provider shall submit at other times during the year:
 - a. A description of any material revision in the terms and conditions applicable to the business relationship between the Provider and its customers, including provisions governing the process for termination of sales agreements. For any such revisions, the Provider shall provide a copy of the revised portions. This provision does not require CDG Providers to file sample sales agreements based individually negotiated sales agreements with large customers or to update sample sales agreements based on changes made for individual customers.
 - b. Material Change in Financial Status including (1) bankruptcy or insolvency filings, (2) initiation of lawsuits which could materially and adversely impact the current or future ability of the Provider to meet its financial obligations.
 - c. Changes in the Provider's business and customer service information provided in the application.
 - d. Changes in personnel identified in the registration package as responsible for resolving consumer complaints received by the Department and referred to the Provider.

SECTION 3B: ENHANCED MARKETING AND ADVERTISING STANDARDS (CDG and On-Site Mass Market DG Providers)

- A. Applicability: This Section describes the enhanced standards that CDG Providers, On-Site Mass Market DG Providers and their marketing representatives must follow when marketing and advertising products and services to potential mass market customers in New York.
- B. Training of Marketing Representatives
 1. Providers shall ensure that the training of their marketing representatives includes:
 - a. Knowledge of this Section and awareness of the other Sections of the UBP-DERS-LIPA;
 - b. Knowledge of the Provider's products and services;
 - c. Knowledge of the Provider's rates and payment options and the customers' right to cancel, including the applicability of a termination fee;
 - d. Knowledge of the applicable provisions of the Home Energy Fair Practices Act that pertains to residential customers; and,
 - e. The ability to provide the customer with a toll-free number from which the customer may obtain information about the Provider's mechanisms for handling billing questions, disputes, and complaints.
- C. When marketing materials or information conveyed to mass market customers or potential mass market customers includes savings estimates, CDG and mass market on-site DG providers must include, in addition to any other forecasts used, a forecast using the following baseline: a three-year average of actual historical utility rates for the three most recent calendar years for which data is available, for the customer's actual utility and service class. The provider may choose to apply an assumed escalation rate of up to 3% per year to this baseline in generating a forecast; if the provider does so, it must disclose the escalation rate used. The forecast generated must estimate savings for the same potential contract term as any other forecast provided. This forecast must be presented with similar prominence to other forecasts and all forecasts must be appropriately labeled to permit customers to understand their source.

Example: A CDG Provider prepares marketing materials for SC-1 customers, showing their expected savings over a 10-year contract term. Over the past 3 calendar years, SC-

1 customer in that utility territory have had average utility rates of \$0.10/kWh, \$0.09/kWh, and \$0.08/kWh. In addition to any other savings forecasts, the CDG developer must provide a 10-year savings estimate to the customer based on a utility rate of \$0.09/kWh, with no more than a 3% annual escalation rate, and identify the escalation rate used.

D. Contact with Customers

1. This subsection applies only to contacts with MassMarket Customers.
2. In-Person Contact with Mass Market Customers Marketing representatives who contact mass marketcustomers in person at a location other than the Provider's place of business for the purpose of selling any product or service shall, before making any other statements or representations to the customer:
 - a. Introduce him or herself with an opening statementthat identifies the Provider which he or she represents; identifies him or herself as a representative of that specific Provider; explains that he or she does not represent the Authority; and, explains the purpose of the solicitation.
 - b. Produce identification, to be visible at alltimes thereafter, which:
 1. Prominently displays in reasonably sized type face the first name and employee identification number of the marketing representative;
 2. Displays a photograph of the marketing representative and depicts the legitimate trade name and logo of the Provider they are representing; and,
 3. Provides the Provider's telephone number forinquires, verification and complaints.
 - c. A CDG or On-Site Mass Market DG Provider marketing representative must provide each prospective mass market customer with a business card or similar tangible object with the marketing representative's first name and employee identification number; Provider's name, address, and phone number; date and time of visit and website information for inquires, verification and complaints.
 - d. A CDG or On-Site Mass Market DG Provider marketing representative must provide the customer with written information regarding the Provider's products and services immediately upon request which must include the Provider's name and telephone number for inquires, verification and complaints. Any written materials, including contracts, sales agreements, and marketing materials must be provided to the customer in the same language utilized to solicit the customer.
 - e. When it is apparent that the customer's English language skills are insufficient to allow the customer to understand and respond to the information conveyed by the marketing representative or when the customer or another third party informs the marketing representative of this circumstance, the marketing representative shall either find a representative in the area who is fluent in the customer's language to continue the marketing activity in his/her stead or terminate the in-person contact with the customer. The use of translation services and language identification cards is permitted.
 - f. A marketing representative must leave the premises of a customer when requested to do so by the customer or the owner/occupant of the premises.
 - g. All Providers who have marketing representatives conducting door-to-door marketing must maintain a daily record, by zip code, of the territories in which the Provider's marketing representatives have conducted door-to-door marketing. The information should be in a form that can be reported to Staff upon request, and should be retained by the Provider for a minimum of six months.
3. Telephone Contact with Mass Market Customers Marketing representatives who contact mass marketcustomers by telephone for the purpose of selling any product or service offered by the Providers shall:
 - a. Provide the marketing representative's first name and, on request, the identification number;
 - b. State the name of the Provider on whose behalf the call is being made;
 - c. State the purpose of the telephone call;
 - d. When it is apparent that the customer's English language skills are insufficient to allow the customer to understand and respond to the information conveyed by the marketing representative or when the customer or another third party informs the

- CDG marketing representative of this circumstance, the marketing representative will immediately transfer the customer to a representative who speaks the customer's language, if such a representative is available, or terminate the call; and,
- e. Remove customers' names from the marketing database upon customers' request.
 - f. When marketing to residential customers, the marketing representative must also:
 - 1. Explain that he or she does not represent the distribution utility;
 - 2. Explain the purpose of the solicitation; and,
 - 3. Provide any written materials, including contracts, sales agreements, and marketing materials to the customer in the same language utilized to solicit the customer.

SECTION 3C: MINIMUM STANDARDS FOR SALES AGREEMENTS
(CDG and On-Site Mass Market DG Providers)

- A. Applicability: This Section establishes minimum standards for sales agreements between CDG and On-Site Mass Market DG Providers (Providers) and mass market customers.
- B. A Provider, or its agent, may solicit and enter into a sales agreement with a customer subject to the following requirements.
 - 1. The DER supplier shall obtain a customer agreement to purchase the product or service and customer authorization to release information to the DER supplier, and retain verifiable proof of such authorization for at least two years or the length of the agreement, whichever is longer.
 - 2. Sales agreements shall include the following information written in plain language in the same language that the Provider has used to market to the customer:
 - A. Terms and conditions applicable to the business relationship between the Provider and the customer which includes:
 - 1. Provisions governing the process for rescinding or terminating an agreement by the Provider or the customer including provisions stating that a residential customer may rescind the agreement within three business days after its receipt without charge or penalty;
 - 2. The price, the terms and conditions of the agreement, including the term and end date, if any, of the agreement, the amount of the termination fee and the method of calculating the termination fee, if any, the amount of late payment fees, if applicable, and the provisions, if any, for the renewal of the agreement;
 - 3. A clear description of the conditions, if any, that must be present in order for savings to be provided to the customer, if savings are guaranteed.
 - 4. Information for residential customers of their rights under HEFPA; and
 - 5. Information regarding contacting the Department for dispute resolution.
 - 6. DER supplier contact information, including a local or toll-free number from the customer's service location.
- C. In addition to the requirements of subsection B, contracts for on-site mass market distributed generation must include a description of the distributed generation system, including the make and model of major system components, and an outline of system specifications. All contracts shall include, at a minimum:
 - 1. For purchased systems, the total system purchase price, itemized costs of system components, and any other taxes, fees or overheads that are the responsibility of the customer; or
 - 2. For leases or purchased power agreements (PPAs), the total number of payments, amount of payments, payment frequency, and due date;
 - 3. An estimate of annual energy output, including loss analysis (e.g. in the case of a solar system, the percentage of the available solar resource that the solar electric

- system will receive, accounting for losses from shading, array azimuth, and tilt);
4. The rate at which the customer can be compensated for any electricity sold to the Authority;
 5. The installation location;
 6. Installation schedule;
 7. The potential value of all federal, state, and local tax credits, electric utility rate credits, Renewable Energy Credits, incentives, or rebates that the customer may receive and/or be required to sign over to the DER provider;
 8. Disclosure of any restrictions on the customer's ability to sell the system and/or his/her property;
 9. System and/or production warranties;
 10. Disclosure of any binding arbitration clauses or other terms that limit the customer's right to enforce the contract or seek damages from the courts; and
 11. Assignment of responsibilities (e.g., for maintenance and repairs, insurance coverage, etc.), including whether such maintenance or repairs may be sold or transferred to a third party.

SECTION 3D: STANDARD CUSTOMER DISCLOSURE STATEMENTS
(CDG and On-Site Mass Market DG Providers)

- A. A completed Standard Customer Disclosure Statement shall be provided to all customers of CDG or On-Site Mass Market DG Providers as part of the sales agreement. Standard Customer Disclosure Statements will be available on the Department's website, www.dps.ny.gov, no later than October 30, 2017 and will be included in this document as Attachment 1.
- B. In the event that the text in the Standard Customer Disclosure Statement differs from or is in conflict with a term stated elsewhere in the agreement, the term described by the text in the Standard Customer Disclosure Statement shall constitute the agreement with the customer notwithstanding a conflicting term expressed elsewhere.

SECTION 3E: CUSTOMER INQUIRIES AND COMPLAINTS
(CDG and On-Site Mass Market DG Providers)

- A. Applicability: This Section establishes requirements for responses by a CDG or On-Site Mass Market DG Provider (Provider) to customer inquiries concerning CDG products or services. Providers shall respond to customer inquiries sent by means of electronic mail, telecommunication services, mail, or in meetings. The subjects raised in inquiries may result in the filing of complaints.
- B. General
 1. Providers shall provide consistent and fair treatment to customers.
 2. Providers shall maintain processes and procedures to resolve customer inquiries without undue discrimination and in an efficient manner and provide an acknowledgement or response to a customer inquiry within 2 days and, if only an acknowledgement is provided, a response within 14 days.
 3. Providers shall provide local or toll-free telephone access from the customer's service area to customer service representatives (CSRs) responsible for responding to customer inquiries and complaints. The Provider's customer service center should be operational at least eight hours per day Monday through Friday except holidays, starting no earlier than 7 AM EST.
 4. If the inquiry is specific to the Authority's service, the CSR shall take one of the following actions:
 - a. Forward/transfer the inquiry to the Authority;
 - b. Direct the customer to contact the Authority; or,
 - c. Contact the Authority to resolve the matter and provide a response to the customer.
 5. Each Provider shall maintain information regarding customer inquiries and

complaints pertaining to its products and services and designate a representative to provide information relating to customer inquiries and complaints to the Department.

C. Emergency Contacts

1. An emergency call means any communication from a customer concerning an emergency situation relating to the distribution system, including, but not limited to, natural disaster, downed wires, electrical contact, or fire.
2. A Provider's CSR shall transfer emergency calls directly to the Authority's emergency number.

SECTION 3F: REPORTING REQUIREMENTS
(CDG and On-Site Mass Market DG Providers)

- A. Applicability: This Section establishes requirements for reporting by a CDG or On-Site Mass Market DG Provider (Provider).
- B. Each Provider shall to submit to the Department an annual report by March 31 containing information for the previous calendar year including aggregate number of customers served, a summary of services provided, and information on the number and classification of complaints received in a format to be established by the Department, to assist the Department in monitoring CDG and On-Site Mass Market DG markets.
- C. Each CDG Sponsor shall send an annual report to the Department for each calendar year to each of its subscribers by March 31 of the following year. The annual report must include the amount of credits that the member has received, expressed both in kWh and dollars, as well as the total amount the customer has paid in subscription fees and any other payments to the Sponsor. The report shall follow the standard format provided by Department Staff in Case 15-M-0180.⁵
- D. A CDG Sponsor that generates or allocates banked credits in a calendar year must file a report to the Department by March 31 of the following year detailing how many credits were banked, how many banked credits were allocated, what percentage of that allocation was provided to mass market customers, and what percentage was allocated to large customers.

⁵ <http://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=15-M-0180&submit=Search+by+Case+Number>