

Arcadia

September 16, 2022

Oregon Public Utility Commission
Docket # UM 1930 - Community Solar Program
Re: Staff Recommendation - Use of Agent Subscription Model

I. Introduction

Thank you for the opportunity to provide feedback on Staff's recommendation regarding use of the agent subscription model in project eligibility for the Community Solar Program ("CSP") released on August 23, 2022 ("Staff's Recommendation"). Our comments will focus on ways in which we hope the Oregon Public Utility Commission ("Commission") will facilitate an efficient and productive community solar program, even without the use of the agent subscription model as defined by Staff.

II. Background

By way of background, Arcadia was founded in 2014 and offers the first nationwide digital energy services platform. One of our core products is to facilitate community solar by enrolling subscribers and managing all processes related to the subscribers' experience. Arcadia is a leader in the community solar market, where we have pushed to increase access to community solar programs for the two-third of customers who may never be able to put solar on their roofs.

Arcadia is now the largest manager of community solar projects in the United States, with 1 gigawatt (GW) of capacity under management in 14 states. Arcadia markets shared solar to potential customers, enrolls subscribers in projects, determines the appropriate allocation size for each subscriber, communicates allocation sizes to the utility, checks that the utility has accurately applied credits to subscribers' bills, collects subscription fees from subscribers, and transmits those fees to the shared solar project. Arcadia also operates a customer experience team to respond to any questions from subscribers to make sure they understand the impact their shared solar subscription has on their energy bills and their community's power system. Arcadia has experience operating in markets around the country, and we bring that experience to bear in the comments that we provide to the Commission today.

Arcadia has participated throughout Staff's investigation into the use of the model. Arcadia representatives have met with Staff, engaged in the stakeholder workshop held in March of 2022, and provided comments on July 1, 2022 in response to Staff's draft recommendation.

Arcadia has experience operating in markets around the country, and we bring that experience to bear in the comments that we provide to the Commission today.

III. Staff's Proposal

Staff's Recommendation defines the agent subscription model as the utilization of an agent agreement that grants "a limited power of attorney to an agent, typically a Project Manager or Subscription Manager, to do one or more of the following:

- Administer the participant's electric utility account,
- Subscribe the participant to a CSP project, and
- Provide the participant with a consolidated bill, paid to the agent instead of the utility"¹

As reflected in Staff's Recommendation, "Staff refers to the agent agreements, collectively, as the agent subscription model (Model)."²

Throughout Staff's Recommendation, Staff supports its ultimate recommendation to disallow use of the Model by noting certain risks associated with the Model that are centered on the utilization of a consolidated bill, paid to the agent instead of the utility (i.e., "Third-Party Consolidated Billing"). In fact, it appears that Staff's Recommendation is grounded on the notion that the Third-Party Consolidated Billing function is a central component of the Model. For example, under the Section entitled "Additional Risks for Participants" Staff states "Participants subscribed to projects using the Model would *receive a bill from a Subscription Manager or Project Manager instead of the utility.*" [emphasis added]³

The risks Staff discusses relate almost exclusively to Third-Party Consolidated Billing. These risks include "reduced participant access to utility bill and utility communications,"⁴ "reestablishing utility contact if CSP participation ends,"⁵ "participants would be required to enroll in automatic payments,"⁶ and "participants would be required to pay monthly bills in full."⁷ While Arcadia provided detailed information on how these risks can be addressed in the comments we filed on July 1, 2022, it is clear that these risks relate exclusively to the use of Third-Party Consolidated Billing.

¹ Staff's Recommendation at page 2.

² Id.

³ Id. at page 5.

⁴ Id.

⁵ Id. at page 6.

⁶ Id. at page 8.

⁷ Id.

Further, Staff notes that there are benefits to other aspects of the Model. Staff cites three examples in particular:

1. “Staff recognizes the importance of a simple participant onboarding process to efficiently and fully subscribe projects.”⁸
2. “Staff additionally recognizes the importance of allowing a PM or Subscription Manager to adjust a participant’s subscription as needed, particularly to avoid oversubscriptions.”⁹
3. “Staff recognizes the benefits to participants of allowing a Project Manager or Subscription Manager working with multiple projects to transfer a participant’s subscription from one project to another.”¹⁰

Staff ultimately concludes, “allowing Project Managers and Subscription Managers to initially size and adjust a participant’s subscription, and to transfer a participant’s subscription from one project to another, provides valuable benefits to participants, projects and the Program.”¹¹

Additionally, Staff provided new context for Staff’s Recommendation on September 15, 2022, stating:

“Staff is aware that several projects have signed subscription agreements with customers that provide the Project Managers or Subscription Managers the flexibility to set and re-size a customer’s subscription or to re-assign a participant to a project other than the one that a customer originally signed up with. Staff hopes to clarify here that it does not consider these activities to be included in the definition of the Agent Subscription Model above, as they do not relate to any of the three specific activities noted. It is Staff’s understanding that projects are not using these agreements to originally subscribe a participant to a CSP project, but instead to provide flexibility in managing the participant’s subscription over time. Staff considers this to be a separate activity that is not part of the Agent Subscription Model as defined.”

Arcadia fully agrees with these assessments. While we continue to disagree with Staff’s ultimate recommendation to disallow use of Third-Party Consolidated Billing, we do agree that

⁸ Staff’s Recommendation at Page 12.

⁹ Id.

¹⁰ Id.

¹¹ Id. at pages 12–13.

the three functions of subscriber management listed above should be expressly allowed, whether or not the Commission agrees to prohibit the use of the agent subscription model as defined by staff.

IV. Arcadia's Recommendation

Staff's Recommendation to prohibit the use of the Model centers on Staff's perceived risks associated with Third Party Consolidated Billing. However, as noted above, Staff notes that there are other benefits of subscriber management that should be maintained in some capacity within the program. Arcadia supports this view. Specifically, Arcadia requests that the Commission clearly reflect in its final order that the Project Manager and Subscription Manager may perform the following activities through the subscription agreement and without additional consent from the participant: (1) initially size a participant's community solar subscription based upon utility consumption data; (2) adjust a participant's subscription, as needed; and (3) transfer a participant's subscription from one project to another.

1. Initially size a participant's community solar subscription.

Staff's Recommendation confirms the need to implement a simple and efficient onboarding process for potential participants in the CSP. Based on Arcadia's experience participating in community solar programs around the country, this onboarding experience must be seamless in order to ensure that individuals may effectively participate. Staff's Recommendation contemplates that the Program Administrator can provide this data. However, if there are too many hurdles in the enrollment process, then potential participants will be immediately disinclined to participate.

As a tech company, Arcadia has the ability to appropriately size a customer to a community solar project by accessing the customer's utility consumption data *with the consent of the customer*. Arcadia has built out the tools to seamlessly embed this data into our enrollment process. This creates an efficient process for the potential customer because the consumption data that is used to appropriately size the subscription is available immediately upon enrollment. The reason it is important for this utility consumption data to be available immediately upon enrollment (and not at a later date) is because when a Project Manager or Subscription Manager can closely match the participant's actual historical consumption to their subscription size, then *we can maximize the participant's savings at the time the participant is enrolled*. This is a net benefit for participants, and especially low-income households where every dollar saved is important.

Recommendation: Arcadia respectfully requests that the Commission make clear in its final order that Project Managers and Subscription Managers can securely access the participant's utility consumption data to verify a participant's eligibility and confirm the appropriateness of their subscription size, with the consent of the participant.

2. Adjust a participant's subscription

Staff's Recommendation provides that the Project Manager or Subscription Manager should be able to adjust a participant's subscription, "particularly to avoid oversubscriptions." Staff notes that the Program Administrator can process any change requests from the Project Manager. There are small adjustments that may need to occur on a monthly basis, including addressing situations where a customer may be oversubscribed, where there may be potential changes to the output from a community solar facility, or where there may be potential changes in the number of customers subscribed to a particular facility. Often these are very minor changes in the customer's allocation. It would be very burdensome for the Project Manager or Subscription Manager to seek approval from the Program Administrator each time a slight modification in the subscription allocation is made. In fact, there is no program in the country that requires this sort of approval process for subscription allocation modifications.

A preferred alternative is to allow Project Managers and Subscription Managers to adjust a participant's subscription on a monthly basis. These adjustments should be reported back through the Program Administrator's portal to make certain that the Program Administrator has all data accurately reflected in a timely fashion. This process would ensure that the program can operate smoothly, that customer subscriptions are appropriately sized on a monthly basis, and that the Program Administrator has accurate recordkeeping.

Recommendation: Arcadia respectfully requests that the Commission allow Project Managers and Subscription Managers to adjust a participant's subscription on a monthly basis and to report such adjustments through the Program Administrator portal.

3. Transfer a participant's subscription from one project to another

Staff's Recommendation recognizes that there are benefits for a Project Manager or Subscription Manager who is working with more than one project to transfer a participant's subscription from one project to another. This could enable a participant to move to a project that is energized more quickly and thus receive the bill credit savings associated with that project. This could also enable a participant to move to a project if the project they are currently enrolled in is undergoing an outage for an extended period of time. Staff recommends that such transfer

only be permitted “prior to a certified project beginning billing.” We believe that there are ways in which participants may be transferred even after billing is initiated, so this limitation is not needed.

Arcadia agrees that transferring participants amongst projects is a net benefit to participants. It would enable them to maximize their potential savings under the program, either by moving to a facility that is energized more quickly or moving to a facility when the facility they are currently subscribed to reflects an outage. There is immense value where Subscription Managers and Project Managers can seamlessly transfer participants amongst projects. Further, where the Subscription Manager or Project Manager initially subscribes a customer to a facility that is not yet known (i.e., “To Be Determined”), the Subscription Manager or Project Manager can later fill in the facility name when the facility is identified without again seeking approval from the participant. This would streamline the process and result in fewer delays in the participant’s ability to receive their bill credit savings.

Recommendation: Arcadia respectfully requests that the Commission permit Subscription Managers and Project Managers to transfer a participant’s subscription from one project to another, or to utilize a “To Be Determined” project until the facility is identified.

V. Proposed Commission Order

Arcadia respectfully requests that the Commission not disallow the use of the agent subscription model in its entirety. Rather, Staff’s Recommendation focuses on concerns regarding Third-Party Consolidated Billing. As such, Arcadia requests that the Commission’s order make clear that it is the use of Third-Party Consolidated Billing that is not permissible. Arcadia further requests that the Commission’s order explicitly states that certain activities (described in the previous section) are permissible and may be utilized by the Subscription Manager and Project Manager. This will provide certainty to the market and ensure that the CSP continues to function effectively. Finally, Arcadia requests that the Commission make clear that the Commission’s Order regarding the use of the Model applies prospectively rather than retroactively, and it does not impact any validly executed agent agreements that are currently in place.

Projects using the agent subscription model, where the use of an agent agreement grants limited power of attorney to provide the participant with a consolidated bill, paid to the agent instead of the utility, are not eligible to participate in the Community Solar Program.

The Project Manager and Subscription Manager are permitted to engage in the following activities:

- 1. Securely access the participant's utility consumption data, with the consent of the participant, to verify a participant's eligibility and confirm the appropriateness of their subscription size;*
- 2. Adjust a participant's subscription on a monthly basis and report such adjustments through the Program Administrator portal; and*
- 3. Transfer a participant's subscription from one project to another, or utilize a "To Be Determined" project designation until the facility is identified. Such transfer should be available at least up until the billing cycle is initiated.*

The Commission's Order does not impact current agent agreements that are already fully executed, but rather restricts the use of agent agreements that are entered into after the date of this Order.

VI. Conclusion

Arcadia thanks you for your time and consideration of these comments and recommendations. We look forward to continuing to participate in Oregon's Community Solar Program and working with the Commission and its Staff to ensure that the CSP remains a workable and functioning program.

Sincerely,



Angela Navarro
Head of State Regulatory Affairs
Arcadia