



December 10, 2018

Illinois Adjustable Block Program
Community Solar Consumer Protection and Marketing Guidelines Documents

Comments of Arcadia Power on Draft Documents

Thank you for the opportunity to comment on the draft community solar consumer protection and marketing guidelines documents for the Illinois Adjustable Block Program.

Introduction

Arcadia Power is the first nationwide digital energy services company. Our job is to connect residential utility customers with clean energy while helping them save money. Depending on the local market structure, we provide a number of services to our customers, including renewable energy credit purchasing, retail supply brokerage, zero-downpayment energy efficient products, and community solar. We currently have approximately 200,000 customers, spread across all 50 states. More than 8,000 of those customers are in Illinois

Arcadia Power has specific experience in community solar programs. We currently are serving as a residential subscription service provider for more than 100 MW of projects in 3 states, representing thousands of residential subscribers. We're pleased to share our experience with you.

Illinois' new Adjustable Block Program is an exciting opportunity for us to provide more value to our customers in Illinois. We believe that many residential customers will see financial benefits from joining community solar projects and will enjoy supporting clean energy development.

Arcadia Power's community solar offering has several unique advantages over traditional offerings. We will be a contractor for Approved Vendors, performing a subscriber management function. We will draw subscribers from our base of existing and new customers in the state, based on their eligibility to participate. We provide a multitude of unique benefits to subscribers, relative to other existing solutions in the market. Most significantly, through our proprietary utility billing platform, we provide a "one bill" experience for community solar, such that the timing of charges for community solar bill credits are always aligned with the subscriber's individual utility billing cycle, and the remainder utility bill portion, community solar portion, and savings are clearly delineated in a single statement. Furthermore, we offer some of the most consumer-friendly terms in the market, specifically: guaranteed savings (by providing a discount indexed to the value of community solar credits) and early termination for any reason with no fees.

The three draft marketing documents are important pieces of the overall consumer protection efforts contained in the ABP. The documents will shape how community solar projects are marketed to customers and how customers enroll in projects. Our comments are intended to maintain strong consumer protections while simplifying processes and making sure that the documents reflect actual market offerings.



Draft Adjustable Block Program Guidelines for Community Solar Marketing Materials and Marketing Behavior

For simplicity's sake, we have structured these comments to follow the sections of the draft guidelines. These are in order by section, not in order of importance.

Section 7.a. This section requires that the ABP Community Solar Informational Brochure be presented to the customer on "first contact". Because we have an existing relationship with our customers (including many for whom first contact was in 2014, for example), "first contact" is not a meaningful designation. The final guidelines should clarify that for existing customers, the Brochure shall be presented to the customer during the first conversation or communication that is about community solar.

Section 7.e. This section specifies that electronic communication of the Brochure and Standard Disclosure Form must be via attachment to an e-mail and "not merely hyperlinked". We think that this requirement will reduce the likelihood that a customer reads the documents in full, and that hyperlinks should be an allowed communication method. Many customers have e-mail spam filters that send e-mails with attachments to a spam folder, particularly if the attachment is coming from an infrequent contact. Many customers have also been trained to not open attachments as part of strong cybersecurity practices. This section should be amended to read "The ABP Community Solar Informational Brochure and Standard Disclosure Form may be delivered to the customer electronically, either as attached files to an e-mail or via a hyperlink in an e-mail."

Section 18(p). This section requires that the customer's contract contain "[a] description of any compensation to be paid for underperformance". This provision is superfluous for contract structures that don't have a performance guarantee. For example, in many active residential community solar markets, the most common customer contracts simply require the customer to pay for the output they actually receive from the project. In such a contract, "underperformance" is meaningless and a contract provision about "underperformance" will only serve to confuse the customer. We believe that this provision should only be required if the contract also includes a performance guarantee.

Draft Illinois Adjustable Block Program Community Solar Disclosure Form

We have both a general comment on this document and specific feedback on one portion.

In general, we're concerned that customers are going to be overloaded with multiple documents presenting the same information in slightly different formats. For example, the Community Solar Brochure is likely to ask questions that are answered in the Disclosure Form, which has information taken directly from the contract, as required by the Marketing Guidelines. We're particularly concerned that customers are unlikely to read any single document when presented with multiple multi-page documents, which include duplicative information. There is a straightforward fix to this problem. The Disclosure Form can be dramatically shortened by removing all information that is duplicated in the Brochure. Then, the Disclosure Form will function much more like a project-specific disclosure, which would be a valuable document.



We also have specific feedback. We know of at least one subscription model that is not captured in this document. Specifically, for subscriptions providing a percent discount off of the bill credit value received, we propose the following as a fourth subscription model option:

Community solar subscription structured as a percent discount off of bill credit value:

- *Percent discount on bill credits received: ___%.*
- *Will the percent discount ever change? (Y/N)*
 - *If yes, under what conditions and by what amount?*
- *Estimated total bill credit value you will receive over the term of the subscription: \$___.*
- *Estimated total payments you will make over the term of the subscription: \$___.*
- *The term of the subscription is ___ years and ___ months.*
- *Frequency of subscription payments (for example, monthly): ___.*
- *The first subscription payment is due (for example, 30 days after the system interconnection): ___.*
- *The final subscription payment is due (for example, 15 years after the first subscription payment): ___.*
- *Total number of subscription payments over the term of the contract: ___.*

Draft Illinois Adjustable Block Program Community Solar Brochure Text

Again, for simplicity's sake, these comments are in order of the document and not in order of importance.

On page 1, the first section is about the Adjustable Block Program and payments for RECs. This is not the most important thing for a customer to learn about when presented with a community solar subscription decision and will only serve as a distraction. This is particularly true since the customer's benefits from community solar do not come from the ABP. We recommend moving this section to later in the document, such as immediately after "Consumer Rights," or striking the section altogether and including a link to information about the ABP for customers who are interested in learning more about the regulatory and incentive framework supporting community solar projects in Illinois.

On pages 2 and 3 of the Draft Brochure Text, there are at least twelve questions that customers should ask before enrolling in community solar. These are all good questions. We are concerned, though, that the draft structure will only serve to dissuade customers from subscribing to community solar projects, which will have the effect of making customer acquisition more expensive. These additional costs will ultimately be passed along to customers. There is a straightforward fix. We recommend that each question be paired with a response directing the customer to the appropriate place to find the information. For example, any upfront payment is clearly included in both the contract and the Disclosure Form (as proposed). Directing customers to answers will provide customers with valuable information that neither persuades nor dissuades them from participating in a community solar project.

On page 3, customers are made aware that they have the right to "assign or sell" their subscription to another party in the utility service territory. This language is overly broad and doesn't reflect the customer's actual rights. In general, customers can only assign or sell their



subscription to another *eligible* customer. Eligible customers live in the same utility service territory, but also may have to have an acceptable bill payment history or be part of a certain customer class (for example, residential). We recommend that this sentence be revised to read as, “You also have the right to assign or sell the subscription to another person who meets the eligibility requirements of the project, without having to pay a fee to the community solar provider.”

Conclusion

Again, we are excited to start participating in Illinois’ community solar market. The draft documents serve an important role in the market, and we believe we’ve identified a number of opportunities to change the documents in ways that will improve the customer experience.

We appreciate the opportunity to provide these comments. We are always available to talk about our comments and answer any questions you may have. Please don’t hesitate to contact Richard Caperton at richard.caperton@arcadiapower.com or 202 210 0063.

Sincerely,

/s/ Richard W. Caperton

Richard W. Caperton
Senior Director, Regulatory Affairs and Market Development
Arcadia Power