

Arcadia

Written responses emailed to: IPA.Contactus@Illinois.gov
Subject: "Arcadia – Response to ABP Comment Request"

December 3, 2021

Illinois Power Agency
Adjustable Block Program Questions
Request for Stakeholder Feedback – November 12, 2021

Arcadia appreciates the opportunity to comment on topics in preparation of the IPA's publishing of its updated Long-Term Renewable Resource Procurement Plan (LTRRPP) in January 2022 for public comment, in compliance with Public Act 102-0662. Arcadia plans to be an active participant in the public comment period and approval proceeding before the Illinois Commerce Commission ("Commission"), but also appreciates the discussion of these questions in an informal collaborative process which can hopefully minimize contested issues.

Arcadia is also in support of the Joint Solar Parties comments from the Solar Energy Industries Association, The Coalition for Community Solar Access, and the Illinois Solar Energy Association. We view these comments as supplemental to the feedback included in the joint comments.

Background

Founded in 2014, Arcadia is the first nationwide digital energy services platform. We connect both residential and commercial 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. Arcadia has software technology that connects with utilities in every state, manages 4.5 terawatt-hours of residential energy demand, and is the largest manager of residential community solar subscribers in the US.

Arcadia's role in community solar is to find subscribers and manage everything related to the subscribers' experience. We market community solar to potential customers, enroll subscribers in projects, determine the appropriate allocation size for each subscriber, communicate allocation sizes to the utility, check that the utility has accurately applied credits to subscribers bills, collect subscription fees from subscribers, and transmit those fees to the community solar project. We also operate a customer experience team to respond to any questions from subscribers to make sure they understand the impact their community solar subscription has on their energy bills and their community's power system.

Arcadia performs these functions for 500 megawatts of community solar, spread across projects in eight states. Ultimately these projects will serve about 100,000 subscribers. In Illinois specifically, Arcadia is serving over 100 megawatts of community solar projects and 20,000 customers. These projects have saved customers money, made the grid greener, and created hundreds of local jobs.

Stakeholder Feedback Questions

Open Questions from the withdrawn draft Second Revised Long-Term Plan

6) Community Solar (Section 6.5.3, pg. 150–151)

For this draft Second Revised Plan, the Agency seeks stakeholder feedback on if small subscriber adders should be reduced. The shift to online marketing and enrollment is likely an additional cost savings for community solar providers that may not be reflected in the current adder. To elicit feedback on this topic, and in lieu of additional data or cost modeling, the Agency suggest starting with the midpoint of the range of costs reported by GTM Research, or \$14.82/REC for 50% or over small subscriber levels. This approach produces adders very similar to the current Minnesota adder.

Arcadia Response:

First, we are unaware of any data that online marketing provides cost savings over more traditional marketing channels. This is an assumption that may not be reflected in the actual market and we do not support reducing small subscriber adders in the plan and further recommend against incorporating this assumption into future modeling for program or subscriber acquisition costs absent empirical cost support. While online marketing may appear to involve lower incremental costs than other methods (such as door-to-door sales), it's quite likely that the significantly lower labor costs are offset by the correspondingly lower sign-up rate. That is, direct sales have a much higher conversion than online advertisements. Further, use of online marketing by community solar involves substantial upfront programming costs to navigate and comply with marketing requirements and the relatively complex and technical enrollment process.

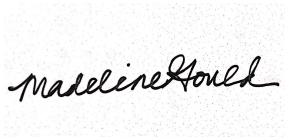
Second, there are a range of diverse customers across the state of Illinois, and different customers have different responses to different types of marketing. It would be premature for the Agency to make any recommendation that would favor any one marketing channel over another. In particular, the recently passed Illinois Climate and Equitable Jobs Act focuses on increasing equity and access to clean energy in the state. Arcadia has anecdotally observed that low- and medium-income customers may be less responsive to online marketing. The Illinois Adjustable Block Program is still in its infancy and we

recommend against making any severe changes to the compensation structure before the Agency has the ability to collect significant data to support the changes for the small subscriber adder.

Third, Illinois has a relatively complex enrollment process that requires each customer to sign an individual disclosure form. This process can be challenging when exclusively using online marketing, so the GTM Research and midpoint range of costs may not be an accurate reflection of the true cost of acquiring customers via online marketing. This request for comments also cites Minnesota's residential adder as similar to the one the Agency proposes here. Arcadia would caution against comparing across markets as all community solar programs have unique elements that can make it difficult to extrapolate data or costs.

Arcadia will provide additional feedback on the content of the disclosure form and operational process with the Program Administrator in the IPA's separate request for comments on matters of Consumer Protection.

Sincerely,

A handwritten signature in cursive script that reads "Madeline Gould". The signature is written in black ink on a light-colored, slightly textured background.

Madeline Gould
Policy Manager
Arcadia, Inc.