

Arcadia

Written responses emailed to: IPA.Contactus@Illinois.gov

Subject: "Arcadia – Response to Consumer Protection Feedback Request"

December 3, 2021

Illinois Power Agency

Consumer Protection 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

1. Under Section 1-75(c)(1)(M)(i), the Agency may revoke an Approved Vendor's ability to receive program-administered incentive funding status upon a determination that the vendor "failed to comply with contract terms, the law, or other program requirements."
 - a. Do the current disciplinary processes under the Adjustable Block and Illinois Solar for All Programs establish a sufficient process for revocation of the ability to receive state-administered incentives? If not, in what areas is the process outlined deficient, and how can the process be improved?

Arcadia Response:

Arcadia is not an Approved Vendor in the Adjustable Block Program, and is rather a Designee, so does not directly receive state-administered incentives. However, Arcadia does have direct knowledge of similar decision making processes around subscriber eligibility and disclosure forms and based on that experience recommend consideration be given to minimizing the informal and ad hoc nature of those processes. We have experience with decisions that appear to be based on informal conversations and that are then communicated verbally by the Program Administrator as opposed to in writing by the Agency. While we support a collaborative relationship between the Agency, Approved Vendors, and other program participants, we recommend that all decisions be communicated by the Agency via written communication.

Further, Arcadia recommends that the Agency minimize – or even eliminate – the amount of decision making that is delegated to the Program Administrator. The Agency should serve as the chief arbiter for disciplinary matters, rather than the Program Administrator. Approved Vendors and/or Designees should be able to make their case directly to the Agency, rather than through the Program Administrator serving in an intermediary role. We recommend there to be a clear process established for Approved Vendors and/or Designees appealing matters directly to the IPA. Arcadia also recommends additional transparency in these disciplinary matters, with a clear timeline for decision established.

- b. The Agency will include the names and entities whose status within the programs is revoked through inclusion in the disciplinary report. Should the Agency and/or Program Administrators also include the names of entities who Approved Vendor applications are denied and are therefore unable to participate in the Program?

Arcadia Response:

Arcadia opposes this addition. There are many reasons why an Approved Vendor's application could be denied, ranging from an incomplete application to historic legal challenges. Any nuance contained in this background will be lost when all of these applicants are listed in the same "Denied" category. The Agency does not want to be in the position of publicly branding applicants with the scarlet letter of denial, which will forever be attached to those applicants.

This is different from naming companies whose status is revoked. Those companies have broken program rules and having their revocations publicly declared is a reasonable part of protecting consumers and applying an appropriate punishment.

Finally, absent a punishment purpose, it's not clear what role a list of "denied" companies would serve. Everyone interested in the program can look up the list of Approved Vendors, and whether a company has not applied or has had an application denied is irrelevant: they are still not on the list.

- c. Many of the entities participating in the Agency's programs that directly interact with customers are Designees; that is, subcontractors of Approved Vendors. Currently, the Designee registration process is a streamlined registration paired with approval by Approved Vendors to serve as their designees. The Agency is considering whether Designees shall also apply for program participation, using a similar application as Approved Vendors. The Agency seeks feedback on which items of the Approved Vendor application are inapplicable to the proposed Designee registration process.

Arcadia Response:

Arcadia is a registered Designee within the program and has worked with several partners to register as designees as well. We find that the existing process works well and would not recommend additional registration processes. Arcadia understands and supports the registration process for Approved Vendors, but it is a significant administrative burden that should not be required for Designees. All Designees are associated in the IPA's portal with fully registered Approved Vendors who conduct their own review of the partners they are

working with throughout the subscriber acquisition and management lifecycle. Many smaller businesses who do not have the bandwidth to complete this detailed type of application would be excluded from participating in the market.

4. Under Section 1-75(c)(1)(M)(iii), the Agency may require standardized customer disclosures. While this is already a requirement for participation in the ABP and ILSFA, the Agency is rethinking the format and scope of the disclosure forms.

- a. Should the standardized disclosure form take the format of a more limited document that contains necessary information specific only to the customer's system/subscriptions and the associated financial obligations? Under this scenario, the Agency would propose an accompanying document which explains the disclosure form and its content also be provided to customers with the standard disclosure form.

Arcadia Response:

Arcadia strongly supports a shortened standardized disclosure form, which would align with best practices in states like Massachusetts, Maine, and Maryland, each of which have a strong history of consumer protection in competitive energy services. Arcadia's experience in Illinois is that the current standard disclosure form is too long and dense for the average customer to process and understand. Indeed, we have observed that simply being forced to read this form actively discourages customers from signing up, as measured by the difference in the number of customers that begin to read the form and who complete the sign-up process. A shortened document would be more easily digestible and referenced by the customer throughout the signup process. Arcadia suggests either an additional round of stakeholder feedback specifically focused on modifications to the existing disclosure form, or a small working group composed of industry experts, consumer advocates, and interested parties to draft a new version of the form. As a result of either process, the Agency should publish a draft version of the disclosure form for a final round of stakeholder feedback before finalizing.

In addition, Arcadia fully supports the two additional streamlines to the standard disclosure process proposed by the Joint Solar Parties in their comments. We strongly agree, based on our experience with thousands of subscribers in Illinois, that these will greatly improve the customer experience.

There are several operational challenges that exist within the program related to the customer disclosure form. Arcadia has provided additional feedback below, but would suggest a robust stakeholder process focused on the operational successes and challenges seen in the first year of the program.

Arcadia has seen challenges arise with the onboarding of new subscribers in several main areas. First, the customer enrollment process has multiple steps that need to be completed one customer at a time. The high level process is as follows:

- An Approved Vendor or Designee must create the customer record in the ABP portal;
- The signed form must be uploaded to the ABP portal;
- The customer must be added to the (separate) utility portal;
- Finally, the customer can be registered on the right project.

The Agency should work with the Program Administrator to ensure that the ABP portal is not a hindrance to subscribers receiving the benefits and savings from their community solar subscription.

Second, there are several other elements within the ABP portal that make it difficult to navigate as Disclosure Form Designee. We believe these issues would be better addressed in a separate round of stakeholder feedback questions, but just a sampling of the types of concerns we have: there is no universal search within the portal, it is difficult to match the customer lists from the ABP portal to the lists the utility provides (customer identifiers are not always unique), and there is no way to show a waitlist of customers and count that waitlist towards project verification.

Finally, Arcadia has seen operational challenges when using the Agency's API to generate and upload signed disclosure forms. Arcadia recognizes and appreciates the effort it took to build out this functionality within the ABP portal, and ultimately this will streamline the process for customer enrollment, but at the moment, there are concerns related to timeouts and batch processing that point to limited functionality within the API to handle larger volume requests.

5. Under Section 1-75(c)(1)(M)(iv), the Agency shall establish one or multiple Consumer Complaint Centers and maintain a disciplinary database.

- a. The current disciplinary process includes the provision of warning letters to entities who have violated program requirements but do not warrant a suspension. The Agency proposes the database which the IPA maintains pursuant to 1-75(c)(1)(M)(iv) be expanded to include identification not only of entities which have received a suspension but also entities that are warned for violations of program requirements. This would include a description of the type of violations and number of warnings received. The Agency seeks feedback on what additional information should be included in the complaint database.

Arcadia response:

Arcadia understands the motivation to publicly document warning letter information, but has questions about how such a process would not harm undeserving program participants. The Agency clearly understands that Approved Vendors or their designees may make honest mistakes, particularly given the complexity of these programs' rules. We are concerned that the general public would not differentiate between a warning and disciplinary action. How would the Agency help customers appreciate that difference and not have a "warning" lead to permanent disproportionate or unreasonable harm to an Approved Vendor? We oppose publishing a "warning" itself and, if that approach were followed, it should necessarily include some mechanism to allow an accompanying response from the Approved Vendor. It would be even better if the Agency would acknowledge the Approved Vendor's satisfactory response to the warning.

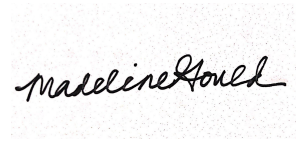
We do want to make clear that we support the Agency's process of issuing warnings before disciplinary action. The revised Long-Term Renewable Resources Procurement Plan is 253 pages long, the Program Guidebook is 70 pages long, and there are other documents with significant rules. While it is obviously the responsibility of all Approved Vendors and their designees to know and abide by the Program rules, we appreciate the Agency's acknowledgment that mistakes can happen and the participants should have the opportunity to remedy mistakes.

- b. Should the ABP Program Administrator develop a page on the Illinois Shines website to which Approved Vendors and Designees may provide standardized offers for distributed generation projects and community solar subscriptions, similar to the standardized offers posted under the ILSFA program? Such a "solar marketplace" would allow customers to compare offers as well as receive information and education on solar development. The Agency seeks feedback on whether this approach would be valuable to entities participating in the program, from Approved Vendors/Designees to customers. Are there exemplary examples from other states?

Arcadia response:

Arcadia does not oppose the creation of such a "solar marketplace", although we would encourage the Agency and Program Administrator to focus on other areas of program implementation first. For example, we highlighted in our comments above, several of the operational challenges we have seen within the ABP portal when onboarding new subscribers and managing the subscriber experience. We would hate for the development of a "solar marketplace" to distract from these other priorities that are hindering the program today.

Sincerely,

A rectangular area containing a handwritten signature in black ink that reads "Madeline Gould". The signature is written in a cursive style.

Madeline Gould
Policy Manager
Arcadia, Inc.