



RESPONSE TO REQUEST FOR FEEDBACK ON DRAFT REPORT ON MUNICIPAL LOAD AGGREGATION AND RENEWABLE RESOURCE DEVELOPMENT ON BEHALF OF ARCADIA

MAY 10, 2023

Arcadia Power, Inc. (“Arcadia”) appreciates the opportunity to respond to the Illinois Power Agency’s (“IPA”) request for feedback regarding the draft Report on Municipal Load Aggregation and Renewable Resource Development.

I. Introduction

Public Act 102-0062 (also known as the Climate and Equitable Jobs Act or CEJA) requires the IPA to publish a report “assessing how aggregation of electrical load by municipalities, townships, and counties can be used to help meet the renewable energy goals outlined in this Act.” The report is required to be published by June 1, 2023. The IPA released a draft of the report on May 1, 2023. The draft report included a review of municipal aggregation programs in other states as well as a series of recommendations.

Within the review of existing programs, the draft report includes the following discussion:

Other options to support new project development including developing community solar projects through aggregation programs, establishing a third-party administered trust fund or establishing a separate carbon fee. An aggregation community solar project would automatically enroll all the program’s customers. Marin Clean Energy in California offers the CCAs customers the option to subscribe to shares in a 1 MW PV solar project. Several programs in New York have been exploring how to integrate community solar into municipal aggregation supply portfolios. These programs would still face the risk associated with customers opting out of the project. A number of municipal aggregation programs have considered dedicating a portion of the customer savings to a fund which could be used to support the development of new renewable energy projects. Another option is to set up an additional revenue stream for a project development fund. The city of Athens, Ohio implemented a carbon fee to be paid by customers participating in the aggregation program into a development fund that operates under the SOPEC aggregation umbrella.

Arcadia focuses these comments on this language regarding community solar aggregation. Arcadia is the largest manager of community solar subscriptions in the nation. Arcadia brings this nationwide lens to these comments and recommends that the Illinois Adjustable Block Program community solar market remain an opt-in market rather than move toward automatic enrollment via municipal aggregation.

Opt-in community solar allows customers who are currently excluded from the rooftop solar market due to various barriers to feel invested in the energy transition underway. The very act of interacting with a potential subscriber and educating households about solar and renewable energy, especially in places where rooftop solar is not possible, opens the subscribers' eyes to renewable energy in general.

II. Feedback on Community Solar Aggregation

There are a number of drawbacks to automatic enrollment of customers in a municipal aggregation community solar program. The Adjustable Block Program ("ABP") currently facilitates the development of a fixed amount of community solar capacity on an annual basis. Given this fixed capacity, municipal aggregation community solar programs that automatically enroll all customers within the territory into the program will likely take all of the available ABP community solar capacity, leaving little opportunity for individuals who live outside of municipalities served by an aggregator to subscribe to a community solar facility under the ABP. As a result, an opt-out municipal aggregation model will produce geographic disparities in customer access to ABP community solar projects.

Additionally, automatic enrollment in the community solar program will reduce customer savings and degrade the financial benefit of enrolling in community solar. Opt-in community solar via the ABP is a known, successful program that has established Illinois as a leader in community solar. The program produces meaningful savings for subscribers. If all customers in a municipal aggregation territory are automatically enrolled in community solar, the customer will be allocated such a small share of the community solar bill credits from a facility that savings will be negligible. This could erode confidence in the ability of the ABP to deliver meaningful savings for customers.

Furthermore, the ABP includes rigorous consumer protection requirements to ensure that customers are aware of the product they are subscribing to, including the use of a Disclosure Form. It is unclear how these consumer protection requirements could be implemented via an automatic enrollment process.

Finally, opt-in community solar programs create equitable access to community solar by ensuring all eligible households have an opportunity to make an educated choice on whether to participate in the program. Community solar enrollment should facilitate an active decision-making process for families to determine whether to participate in the clean energy economy. Automatic enrollment removes household ownership in this decision. Other states including New York have considered an automatic enrollment model for municipal aggregation community solar, but have chosen to only permit community solar participation via an opt-in model. Given the lessons learned in other states, it would be prudent for Illinois to remain opt-in as well.

III. Conclusion

Arcadia appreciates the opportunity to provide these comments to the draft Report on Municipal Load Aggregation and Renewable Resource Development. Arcadia looks forward to continuing to work with the IPA and interested stakeholders.

Sincerely,



Angela Navarro
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Arcadia