

Arcadia

June 29, 2022

Suggested Amendments to Community Solar Rules
In the Matter of the Community Solar Energy Program
Docket No. QO22030153

TO: New Jersey Board of Public Utilities Community Solar Staff
FR: Arcadia Power, Inc.

I. Overview

Arcadia Power, Inc. (“Arcadia”)¹ is building the software necessary for everyone in New Jersey to realize the full benefits of clean energy. Today, customers face a bewildering assortment of energy technologies – ranging from energy efficiency and renewable energy offerings to battery storage and electric vehicles – all of which have unique capabilities, costs, and user experiences. Arcadia’s software makes it possible for energy technology providers to delight their customers and move clean energy forward by enabling simple user experiences that will save people money. The first industry served with Arcadia’s software is community solar, where Arcadia manages subscribers across projects totaling more than 800 megawatts across nine states - making it the largest manager of community solar subscribers in the United States.

Arcadia is a national leader in educating and soliciting community solar subscribers using methods and ethical standards that far exceed minimum regulatory requirements. In fact, we strive to deploy standards that are better than industry best practices in this new and evolving community solar landscape.

We are happy to be deeply involved in New Jersey and are impressed by the quality of the New Jersey Community Solar Program.

While the NJ Community Solar Pilot program is off to a successful start, we respectfully submit the following recommendations to Board Staff to consider while drafting the permanent Community Solar Program Rule Proposal. These recommendations are largely focused on the customer/subscriber aspects of the rules, and the proposed amendments are based on substantial first-hand experience working with more than 100,000 existing subscribers across the country. These recommendations are also informed by established rules and best practices in other state community solar markets.

Further, our proposal builds off the formal comments Arcadia submitted on May 6, 2022, in Docket no. QO22030153.²

¹ In December 2019 Arcadia Power rebranded to ‘Arcadia’.

² New Jersey Board of Public Utilities. Public Document Search. Docket #: QO22030153.
https://publicaccess.bpu.state.nj.us/DocumentHandler.ashx?document_id=1264927

II. General Summary of Proposed Amendments

We have provided two iterations of our proposed recommendations. The first is a brief outline of the amendments, which is included in the section below. We have also provided the full recommended amendments to the rules with greater detail in the following section.

III. Outline of Proposal

- A. **Amend the rules to make it easier and less intrusive for prospective LMI customers and more clear for community solar developers to verify LMI status and subscribe to the Community Solar Program.**
 - 1. Allow verification of participation in Medicaid and additional, specific government income assistance programs as a qualified method to determine proof of LMI status.
- B. **Prohibit the use of credit checks for residential customers to ensure program access for all customers, particularly those that are low and moderate income or members of overburdened communities.**
 - 1. Subscriber Organizations may use more useful methods to determine a potential subscriber's ability to pay their energy bills. Using credit checks are an innacurate and discriminatory way to determine whether a customer may participate.
- C. **Enshrine utility billing and crediting best practices to shore up customer protections**
 - 1. The New Jersey Community Solar Rules go a long way to protect customers but more can be done here to strengthen proper billing and customer protections.
- D. **Strengthen signature requirements to ensure customer choice**
 - 1. Customer choice is paramount to community solar. Indeed, customers choosing to participate puts the community in "community solar". Preserving this customer protection is integral for program fidelity and customer trust.
- E. **Modify or eliminate the voluntary geographic limitation requirement in the application.**
 - 1. The New Jersey Municipal boundaries vary greatly in size and many municipalities are bordered by the Atlantic Ocean, the Delaware River or other state borders while others are more centrally located and can draw from several adjoining municipalities.
 - 2. This inherent unfairness ultimately creates barriers that denies some LMI customers access to community solar as most Community Solar applicants are compelled to limit geography for a few added points towards earning project approval.
- F. **Transition from community solar to community renewable energy**
 - 1. This will ensure this program supports New Jersey's broader climate, energy, and grid goals.

2. Understanding this is beyond the scope of the existing rulemaking, we strongly suggest BPU staff consider allowing solar plus storage and standalone storage projects to participate in the program.

IV. **Recommended Amendments to Rules**

This section includes a brief summary of Arcadia’s recommended amendments as well as our proposed language. Proposed deletions are in [brackets] and proposed new language is identified ***inside asterisk in bold***.

A. Amend the rules to make it easier and less intrusive for prospective LMI customers and more clear for community solar developers to verify LMI status and subscribe to the Community Solar Program.

Summary: Expand LMI verification methods to include self-attestation, participation in any government or utility income assistance program, and pay stubs. BPU currently accepts pay stubs as proof of income for the PAGE Program, making it reasonable to include for the community solar program as well.³ In addition, the income threshold to qualify as a moderate-income household should be pegged to BPU’s existing PAGE Program income limits. For a family of four, for example, the PAGE program annual income limit is \$128,786.⁴ A proposed self-attestation template has been included in Appendix I.

Recommended Amendments: 14:8-9.8 Low- and moderate-income provisions

2. In all other cases, subscribers must be individually qualified as LMI for the purposes of the Pilot Program. The subscriber organization for each project shall receive and review proof of LMI eligibility for each LMI subscriber. Any of the following may be accepted by a subscriber organization as proof of LMI status for individual subscribers:

i. Proof of participation in one or more of the following: LIHEAP, Universal Service Fund, Comfort Partners, Lifeline Utility Assistance Program, Payment Assistance for Gas and Electric, Section 8 Housing Choice Voucher Program, Supplemental Nutrition Assistance Program, the Lifeline program administered by the Universal Service Administrative Company, ***Medicaid, Supplemental Security Income - Social Security (SSI), Supplemental Security Disability Insurance - Social Security (SSDI), Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), Temporary Assistance for Needy Families Assistance (TANF)***, or other low- or moderate-income local, State, or Federal programs, as may be added to this list by the Board by Board Order.

ii. If the subscriber is a residential customer, proof that the subscriber’s metered residence is in a census block group in which 80 percent or more of the

³ NJPowerOn. PAGE Requirements. <https://njpoweron.org/page/page-requirements/>

⁴ New Jersey, Board of Public Utilities. Customer Assistance: Utility Assistance Programs. PAGE Program Income Limits by household size. <https://www.state.nj.us/bpu/assistance/programs/>

households earn less than 80 percent of the area median income, as determined by data from the U.S. Department of Housing and Urban Development;

iii. A written attestation by the LMI Customer that their total household income is below the PAGE Program income limit.

iv. Pay stubs that indicate that an LMI customer's total household income is below the PAGE Program income limit.

[iii.] ***vi.*** An alternate form of income verification proposed through a petition by a subscriber organization and approved by the Board. The petition shall include: a written description of the proposed income verification method; a complete description of how the method respects consumer privacy concerns; how the measures and safeguards established prevent fraud or misrepresentation by either the prospective subscriber or a subscriber organization; if the proposed methodology utilizes a statistical probability-based identification mechanism, how the method is reasonably expected to minimize incorrect eligibility determinations; and how the Board will be able to verify the income claims for accuracy. Alternatively, a subscriber organization may provide notice to Board staff of the entity's intent to utilize a verification mechanism that has already been approved by the Board. A subscriber organization may not utilize any alternate method of income verification until it has been approved by the Board.

B. Prohibit the use of credit checks as a qualification or screening criterion for residential customers to ensure program access for all customers, particularly those that are low and moderate income or members of overburdened communities.

Summary: One of the largest risks community solar projects face is the risk of subscriber non-payment. Historically, some project developers and financiers sought to manage this risk by requiring credit checks and early termination fees.

Those terms are bad for customers, and today they are not necessary. Subscriber organizations have a number of alternative methods to decrease the risk that a prospective subscriber fails to pay their subscription fees and to otherwise hedge against the risk of non-payment. Because community solar is designed to allow changes in the composition of the customer base over time, what is important is not the credit of any particular customer, but rather the strength of the project and its service providers to replace customers over time in the event of a default.

In addition, credit checks can needlessly keep customers from accessing this important program. Consumer Financial Protection Bureau (CFPB) recently produced a report finding that families in majority Black and Hispanic neighborhoods are far more likely to have disputes over inaccurate information included on their credit reports than families in majority white

neighborhoods.⁵ Including inaccurate information on a credit report can reduce a customer's credit score below the threshold required for participation in the program, through no fault of their own. This runs counter to the program's goals.

In sum, requiring credit checks and imposing early termination fees are a needless barrier to program access for many top priority customers. We suggest these terms be prohibited outright.

Recommended Amendments: 14:8-9.10 - Consumer protection

(new section)

8. Subscriber organizations are prohibited from using credit checks or sign-up fees as qualifying or screening criteria for residential customers and small commercial customers to become subscribers. Subscriber organizations are prohibited from charging early termination fees or other exit fees to residential customers who wish to leave a community solar project.

C. Enshrine billing and crediting and subscriber allocation list processing best practices

Summary: Utility billing and crediting is very complicated. We see significant billing and crediting errors in every market where we operate. Some basic standards and reporting requirements should be met by all utilities.

Confronting this growing challenge, the Maryland Public Service Commission recently updated the rules governing the Community Solar Energy Generating Systems program to include substantive utility billing and crediting requirements to protect customers and projects. For convenience, the relevant section of their updated rules is available in APPENDIX II.

Recommended Amendments: Provide a new section that includes the following detail.

(new section)

***A. Subscriber List.**

(1) List Composition.

(a) A subscriber organization shall provide the electric company with electronic data indicating the proportion of a

⁵ Consumer Financial Protection Bureau. CFPB Finds Credit Report Disputes Far More Common in Majority Black and Hispanic Neighborhoods: Report Provides Additional Insight into Previously Observed Trends. November 2, 2021.
<https://www.consumerfinance.gov/about-us/newsroom/cfpb-finds-credit-report-disputes-far-more-common-in-majority-black-and-hispanic-neighborhoods/>

community solar energy generating system's output that shall be applied to each subscriber's bill.

(b) An electric company may develop an alternative format for processing subscriber lists.

(2) Update Frequency.

(a) A subscriber organization may at any time provide an updated subscriber list to an electric company.

(b) A subscriber organization shall provide an updated subscriber list via the designated electronic portal maintained by the electric company under §H of this regulation or any other format accepted by the electric company.

(c) An electric company shall use the most recent subscriber list provided by a subscriber organization, subject to submission deadlines incorporated by tariff and accepted by the Commission.

(3) An electric company shall apply credits using the most recently updated subscriber list provided by the subscriber organization.*

(New section)

B. An electric company shall determine the amount of kilowatt hours to be credited to each subscriber by multiplying the subscriber's most recent generation proportion from §A of this regulation by the metered output of the community solar energy generating system.

(New section)

*C. Application of Subscription Credits.

(1) Unless otherwise directed by the Commission, an electric company may choose to apply the appropriate kilowatt-hour credit from §B of this regulation to each subscriber's bill as either a reduction in metered kilowatt-hour use or a dollar credit to the subscriber's billed amount.

(2) An electric company shall choose the same method for all subscribers in a project.*

(New section)

D. If the electric company chooses to apply the credit from §C of this regulation as a dollar amount, the electric company shall apply a credit no less than the value to the subscriber of the credit had it been applied to the subscriber's bill as a reduction in metered kilowatt hours.

E. An electric company shall retain a record of a pilot project's kilowatt hours applied to each subscriber's account for a period of 7 years.

F. Subscription credits shall carry over to the next month's bill until the earlier date on which:

- (1) The subscriber's account is closed; or**
- (2) The subscriber's last meter reading prior to the month of April.***

(New section)

***H. Electronic Portal.**

(1) An electric company shall establish and maintain an electronic portal that allows a subscriber organization to provide subscriber lists to the electric company for crediting as required by this regulation.

(2) An electric company that has established an electronic portal prior to the effective date of this regulation shall maintain an electronic portal with the capability that is specified in §H(3) of this regulation for the period of time specified in COMAR 20.62.02.10B for each CSEGS in the program.

(3) An electric company shall allow a subscriber organization to input data electronically in batches of up to 1,000 subscriber accounts per CSEGS, including the ability to add new subscribers, remove subscribers, and edit the allocations of existing subscribers.

(4) Electric companies that do not currently have the capabilities in §H(3) of this regulation as of the effective date of this regulation shall implement these requirements no later than 12 months from the effective date of this regulation.*

(New section)

***I. Electric Company Credit Allocation Reporting.**

(1) An electric company shall provide a subscriber organization with a report detailing each subscriber's credit allocation with the following details:

A. Host-Level Data:

- a. Production period**
- b. Total kWh production**
- c. Total dollar value of production**
- d. Amount banked on the host account, including dollar value, kWh, and percent, as applicable.**
- e. Credit transfer date**

B. Subscriber-Level Data:

- a. Account number
- b. Utility account status
- c. Allocation percentage
- d. Total credit allocation in dollar and and kWh values
- e. Starting bank balance
- f. Ending bank balance
- g. List of rejected accounts and the respective reason for rejection

(2) An electric company shall provide the report described below of this regulation no later than the last day of each calendar month following the month of the CSEGS meter reading by the electric company.*

(New section)

***J. Electric Distribution Company billing error reporting.**

(1) An electric company shall file a report to the Commission, no less than once per quarter, that:

- (a) Tracks issuance of each report in Section I above, which the electric company issued to subscriber organizations during the prior quarter; and
- (b) Summarizes any electric company billing error affecting more than 100 subscribers' utility bills in the prior quarter and the corrective actions taken by the electric company to fix the error.*

D. Strengthen signature requirement

Summary: Customer choice is paramount to community solar. Indeed, customers choosing to participate puts the *community* in “community solar”. Preserving this customer protection is integral for program fidelity and customer trust.

Recommended Amendments: 14:8-9.10 - Consumer protection

i. A community solar subscriber may not be subscribed without their affirmative written consent, either via wet or electronic signature.

ii. A customer may grant authority to a subscriber organization to act on the customer's behalf in any process required by this chapter through affirmative written consent of the subscriber, either via wet or electronic signature.

a. A subscriber organization shall disclose to a subscriber its relationship with any person with whom the subscriber organization executes a contract on behalf of a customer.

b. Any subscriber organization operating under section ii may not require credit checks, sign-up fees, or termination fees for residential and small commercial customers.

c. Subscribers signed up under this section ii maintain their right to cancel/rescind their subscription at any time without penalty.

d. Subscriber organizations shall use plain language when explaining the expected start date of the community solar subscription to subscribers.

e. Subscriber organizations shall provide notice via their usual form of communication, including email, with subscribers, reminding them of their right to cancel their subscription prior to it taking effect without penalty.

[ii.]* *iii. If a subscriber organization uses electronic methods to sign up, renew, or switch subscribers, the subscriber organization shall comply with the Uniform Electronic Transaction Act, N.J.S.A. 12A:12-1 through 26.

[iii.]* *iv. A subscriber organization may not add a new charge or make any other material change to the content of the contract or subscription without first obtaining affirmative written consent via wet or electronic

E. Geographic Barriers needlessly limit LMI access and reduce customer choice

Summary: Arbitrary geographic barriers limit customer access – particularly low for income and overburdened community households – to this program. This program should not include limitations to customer access. Notably, it is unlikely that there will be enough projects sited in Newark and its ten adjacent municipalities to serve the Newark LMI and overburdened community population. The preference for project adjacency may unintentionally inhibit access for LMI and overburdened communities. While we understand that the program rules do not include any geographic restrictions beyond EDC territory, the project application does, and we see that in direct conflict with more meaningful state goals.

Recommended Amendments: 14:8-9.5 Project siting requirements

(a) Community solar projects may have subscribers anywhere in the EDC service territory in which they are located, **[unless they have indicated otherwise in their application to participate in the Pilot Program. Projects that have elected, in their application, to place a geographic restriction on the subscribers to the project must maintain that restriction for the lifetime of the Pilot Project. The Board may consider waiving this restriction during the project's operational period upon special request]** ***and there shall be no added incentive or encouragement to subscribe customers located within the same or an adjacent municipality or county*.**

(b) For the purposes of this section, the location of a subscriber and/or a community solar project is identified by the location of its physical utility meter.

(c) The following siting restrictions shall apply to community solar projects:

1. Community solar projects shall not be allowed on preserved farmland.

F. Community Renewable Energy better aligns with New Jersey’s Energy Goals than solar-alone

Summary: To maximize benefits to the New Jersey Grid and ratepayers, we believe any community energy program should allow participation by all renewable energy technologies. Understanding that a tech-agnostic program like this is not feasible in this narrow rulemaking, we strongly suggest that the community solar program should be expanded to include solar plus storage and standalone storage projects.

V. Conclusion

We appreciate the opportunity to provide these proposed amendments to the community solar program and look forward to our continued work with BPU and interested stakeholders. Please contact James Feinstein at James.Feinstein@arcadia.com or 202 999 8916 if you would like to discuss these matters further.

Sincerely,



James Feinstein
Senior Policy Manager
Arcadia

APPENDIX I – Proposed Income Attestation

Subscriber verification of household low-income or moderate-income status

I hereby make this self-attestation from my personal knowledge and information to confirm my eligibility to qualify as a Low-Income or Moderate-Income (“LMI”) subscriber for the purposes of participating in New Jersey’s Community Solar Energy Pilot Program.

Please select the option that applies to your household:

___ My household’s annual income is below the Family Income Level for the number of Persons in my family.

Annual income per client/household size								
Persons in family	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Income level	\$66,968	\$87,575	\$108,180	\$128,786	\$149,392	\$169,998	\$173,862	\$177,725 ⁶

I hereby certify that the foregoing statements are true and accurate to the best of my knowledge.

Signature:

Name:

Email:

Date:

Ref #

⁶ New Jersey, Board of Public Utilities. Customer Assistance: Utility Assistance Programs. PAGE Program Income Limits by household size. <https://www.state.nj.us/bpu/assistance/programs/>

APPENDIX II: Maryland’s recently updated community solar billing and crediting regulations

20.62.02.04 Subscription Credits.

A. Subscriber List.

(1) List Composition.

(a) A subscriber organization shall provide the electric company with electronic data indicating the proportion of a community solar energy generating system’s output that shall be applied to each subscriber’s bill.

(b) An electric company may develop an alternative format for processing subscriber lists.

(2) Update Frequency.

(a) A subscriber organization may at any time provide an updated subscriber list to an electric company.

(b) A subscriber organization shall provide an updated subscriber list via the designated electronic portal maintained by the electric company under §H of this regulation or any other format accepted by the electric company.

(c) An electric company shall use the most recent subscriber list provided by a subscriber organization, subject to submission deadlines incorporated by tariff and accepted by the Commission.

(3) An electric company shall apply credits using the most recently updated subscriber list provided by the subscriber organization.

B. An electric company shall determine the amount of kilowatt hours to be credited to each subscriber by multiplying the subscriber’s most recent generation proportion from §A of this regulation by the metered output of the community solar energy generating system.

C. Application of Subscription Credits.

(1) Unless otherwise directed by the Commission, an electric company may choose to apply the appropriate kilowatt-hour credit from §B of this regulation to each subscriber’s bill as either a reduction in metered kilowatt-hour use or a dollar credit to the subscriber’s billed amount.

(2) An electric company shall choose the same method for all subscribers in a project.

D. If the electric company chooses to apply the credit from §C of this regulation as a dollar amount, the electric company shall apply a credit no less than the

value to the subscriber of the credit had it been applied to the subscriber's bill as a reduction in metered kilowatt hours.

E. An electric company shall retain a record of a pilot project's kilowatt hours applied to each subscriber's account for a period of 7 years.

F. Subscription credits shall carry over to the next month's bill until the earlier date on which:

- (1) The subscriber's account is closed; or
- (2) The subscriber's last meter reading prior to the month of April.

G. Subscriber credits that are not carried over under §F of this regulation shall be handled as excess generation.

H. Electronic Portal.

(1) An electric company shall establish and maintain an electronic portal that allows a subscriber organization to provide subscriber lists to the electric company for crediting as required by this regulation.

(2) An electric company that has established an electronic portal prior to the effective date of this regulation shall maintain an electronic portal with the capability that is specified in §H(3) of this regulation for the period of time specified in COMAR 20.62.02.10B for each CSEGS in the program.

(3) An electric company shall allow a subscriber organization to input data electronically in batches of up to 1,000 subscriber accounts per CSEGS, including the ability to add new subscribers, remove subscribers, and edit the allocations of existing subscribers.

(4) Electric companies that do not currently have the capabilities in §H(3) of this regulation as of the effective date of this regulation shall implement these requirements no later than 12 months from the effective date of this regulation.

I. Electric Company Credit Allocation Reporting.

(1) An electric company shall provide a subscriber organization with a report detailing each subscriber's credit allocation.

(2) An electric company shall provide the report described in §I(1) of this regulation no later than the last day of each calendar month following the month of the CSEGS meter reading by the electric company.⁷

⁷ Maryland Division of State Documents, Code of Maryland Regulations, 20.62.02: <http://www.dsd.state.md.us/COMAR/SearchTitle.aspx?scope=20>