



May 15, 2023

Recommendations for Community Solar Permanent Program 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 (“Arcadia”) 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 more than 200,000 subscribers across projects totaling more than 1,600 megawatts of capacity across thirteen states and the District of Columbia -- making it the largest manager of community solar subscribers in the United States.

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

While we are thrilled by the thoughtfulness and exceptional quality of Board Staff’s permanent program Straw Proposal, we respectfully submit the following recommendations to Board Staff to consider while drafting the permanent Community Solar Program Rules.

II. General Summary of Recommendations

Arcadia applauds Staff for their efforts to improve the existing pilot program rules and supports the following improvements in particular:

1. Allowing customers to qualify as low- and moderate-income (“LMI”) through self-attestation.
2. Recommending a first-come, first-serve project participation process.
3. Removing adjacency requirements, and instead prioritizing customer access to create a more equitable program.
4. Prohibiting termination fees.

In addition to supporting these changes, Arcadia offers the following recommendations to improve the NJ Community Solar Program Rules and to identify areas of concern in the straw proposal that would have a detrimental effect on the program.

These comments are provided below in a general outline of the issues followed by more detailed analysis and specific recommendations for amendments to the straw proposal for staff consideration to include in the formal rule proposal which will be presented to the Board for Publication in the New Jersey Register.

III. Outline of Recommendations

A. Include specific reference to Medicaid participation verification as a qualified method to determine proof of LMI status in the formal rule proposal.

Staff's recommendation to include Medicaid and other key income assistance programs as approved income verification methods is essential to increasing program access for more families. As such, we recommend that Medicaid and other assistance programs are specifically referenced in the formal rule proposal. Staff's inclusion of proof of participation in additional income assistance programs will further expand program access.

B. Automatic enrollment will undermine the integrity and intention of the community solar program and therefore should not be included in these rules.

We strongly disagree with this recommendation. Forcing swaths of people to be enrolled and then making them actively work to opt out of solar is contrary to the heart and soul, and the fundamental intent, of community solar. 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. 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. By educating customers around the value of the clean energy transition through community solar, customers can also consider other ways to reduce their carbon footprint. This education and engagement opportunity is lost with the opt-out model.

Additionally, automatic enrollment in the community solar program could reduce customer savings and degrade the financial benefit of enrolling in community solar. Opt-in community solar is a known, successful program in New Jersey. The program produces meaningful savings for subscribers. If customers in a municipality are automatically enrolled in community solar, the municipality will be forced to choose who can participate and how to allocate savings. There are tradeoffs in this decision. In order to subscribe more individuals, customers may 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

community solar program to deliver meaningful savings for customers. On the other hand, if the municipality offered greater savings levels, then they may only be able to offer subscriptions to a subset of customers. The more prudent path is to allow subscribers to self-select whether to participate by keeping the program as an opt-in model.

Further, there will likely be a fixed amount of community solar projects developed each year. If municipalities are permitted to utilize an opt-in model, these municipalities could take all the available community solar capacity, leaving little opportunity for individuals who live outside of municipalities offering opt-in programming to subscribe to a community solar facility. As a result, an opt-out model will produce geographic disparities in customer access to community solar projects. 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.

C. Allow credits applied to customer accounts to rollover for five years from the date they are applied to the customers' account to ensure customers do not lose value.

The timeline should start when the utility applies the credits to the customer account. Five years is a reasonable amount of time to reconcile billing errors and delays. Allowing credits to rollover is essential for ensuring customers receive maximum benefits from their subscriptions.

Customers should not be penalized if they are unable to use their credits within an "annualized period" as the timeframe carries the real risk that customers will not receive their full credit due to EDC delays in applying the credit or if there are errors in the credits that must be corrected. These situations are common and they often take many months or years to resolve. The rules should require that EDCs apply the oldest credits first.

D. Allow credits banked with the project to rollover for two years.

The timeline should start when the EDC applies the credits to the customer account. Like the above, there needs to be a reasonable amount of time to reconcile billing errors and delays. It is no one's interest – least of all the project – to bank projects longer than essential. Nonetheless, utility billing and crediting delays are real and severe. Being able to rollover credits for longer periods of time allow projects to even out the reallocation of credits to customers without a 'shock' that can lead to a bad customer experience and often early voluntary termination from the project.

E. Projects should be able to opt out of net crediting and each customer should be able to have unique savings rates.

To ensure net crediting is as effective as possible and to allocate resources as judiciously as possible we suggest the following clarifications:

1. The rules should require that the EDC shall pay the customer subscription fee to the project regardless of whether the customer pays the underlying bill. Indeed a portion of the 1% fee is intended to cover this.
2. The rules should provide that net crediting is optional, and not mandatory. Indeed we foresee that a majority of projects opting into a net crediting program, but also understand that increased flexibility will enable a broader variety of projects to be built and subscribed.

F. Prohibit the use of credit checks for residential customers as a selection criteria in the sign up process to ensure program access for all customers, particularly those that are low and moderate income or members of overburdened communities.

Subscriber Organizations may use more useful methods to determine a potential subscriber's ability to pay their energy bills. Using credit checks are an inaccurate and discriminatory way to determine whether a customer may participate.

IV. Recommendations

This section provides a summary of Arcadia's positions on key aspects of the straw proposal as well as our proposed amendments and deletions, where appropriate. Proposed deletions are in [brackets] and proposed new language is identified ***inside asterisk in bold***.

A. Include specific reference to Medicaid participation verification as a qualified method to determine proof of LMI status in the formal rule proposal

We are pleased to see Staff recommend the inclusion of Medicaid on page 16 of the Notice In The Matter of The Community Solar Energy Program (or, the "Notice). To enshrine this important addition in the rules we respectfully request staff add Medicaid to § 14:8-13.7(D)2i of the rules.

Recommended Amendment: § 14:8-13.7(D)2i Low- and moderate-income provisions

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 Disability Insurance, Special Supplemental Nutrition Program for Women, Infants, and Children, Temporary Assistance for Needy Families, or other low- or moderate-income local, State, or Federal programs, as may be added to this list by the Board by Board Order;

B. Automatic enrollment will undermine the integrity and intention of the community solar program and therefore should not be included in program rules

We strongly oppose any automatic enrollment in the New Jersey community solar program for the reasons previously provided. Importantly, the New York Department of Public Service (DPS) spent several years contemplating a municipal automatic enrollment community solar program and ultimately determined the significant risks were not worth the potential benefits. As noted in the updated Community Choice Aggregation program rules, DPS states:

“CCA programs may aggregate or otherwise integrate, on an opt-in basis, into their program, energy efficiency and distributed energy resources (DERs). In considering how to include a variety of products and energy planning and management activities within the CCA program, CCA Administrators should be open to contracting with different ESCO and DER providers for services.”¹

BPU should not allocate critical staff time and resources to an arduous process only to reach the same conclusion as NY DPS. Below are key reasons we strongly oppose automatic enrollment, which are explained in detail in the Appendix.

1. An automatic enrollment program would lead to geographically discriminatory customer access and participation.
2. Customers enrolled via automatic enrollment risk having their choices usurped by a GEA, and would be subjected to administrative burden and confusion.
3. An automatic enrollment program will reduce customer savings and decrease competition.
4. Automatic enrollment is administratively burdensome.
5. Because opt-out models are not rooted in customer choice and do not prioritize customer engagement, they cannot serve as an entrée for other distributed energy resources beyond community solar.
6. There is no evidence that EDC and GEA information technology systems can support implementation of such a program.
7. EDC and GEA customer service call centers are not staffed or otherwise equipped to support the influx of customer complaints that might arise from such an untested program.

C. Allow credits applied to customer accounts to rollover for five years from the date they are applied to the customers' account to ensure customers do not lose value.

Leading community solar programs, including those in NY and Delaware allow credits applied to customer accounts to rollover indefinitely.²³ To our knowledge, this long duration credit rollover has not created administrative complications or other difficulty for the utilities or program administrators. Maryland recently passed a bill allowing all community solar credits to rollover indefinitely as well.⁴

¹ New York Department of Public Service. Community Choice Aggregation Program Rules. March 20, 2023. Page 3.

<https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=14-m-0224#>

² New York Public Service Commission. Case 15-E-0751 - In the Matter of the Value of Distributed Energy Resources. Order Clarifying Banking Rules Under The Community Distributed Generation Program.

Effective May 17, 2021.

https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={9136958C-6A2E-4F1B-9F51-D_C73FB5C8547}

³ Delaware Office of the Registrar of Regulations, Legislative Council, State of Delaware. Title 26 Public Utilities Delaware Administrative Code. Department of State, Public Service Commission: 3000 Energy Regulations. *While DE rules allow customers to cash out their credits at the end of each annualized billing period, they are not required to do so.*

<https://regulations.delaware.gov/AdminCode/title26/3000/3001.shtml>

⁴ Maryland General Assembly. SB143. Electricity - Net Energy Metering and Virtual Net Energy Metering - Accrual of Net Excess Generation (Net Metering Flexibility Act).

<https://mgaleg.maryland.gov/mgawebsite/Legislation/Details/sb0143>

Recommended Amendments: § 14:8-13.6(G) Community solar billing

(g) Credits shall carry over from monthly billing period to monthly billing period, with the balance of credits ***carrying over until the earlier of:**

1. **Five years from the date the credits are applied to the customer's account;**
2. **The closure of the subscriber's EDC account when the subscriber's subscription is not transferred to a new EDC account within the same territory within two years; or**
3. **The end of the subscriber's community solar subscription.***

[accumulating until the earlier of:

1. The end of the annualized period;
2. The closure of the subscriber's EDC account; or
3. The end of the subscriber's community solar subscription.]

D. Allow credits banked with the project operator to rollover for two years.

Similar to "C" above, Leading community solar programs, including those in NY and Delaware allow credits applied to customer accounts to rollover indefinitely.⁵⁶ This is an important backstop for project financing.

Recommended Amendments: Provide a *new* section with the following detail:

(new section)

Credits applied to the project owner account shall carry over for two years from the date credits are applied to the project account.

E. Projects should be able to opt out of net crediting and each customer should be able to have unique savings rates.

Net crediting removes the need for projects to collect a payment method and thus removes the greatest barrier to customer access, particularly LMI customer access. The rules should require that the EDC shall pay the customer subscription fee to the project regardless of whether the customer pays the underlying bill. Indeed, a portion of the 1% fee is intended to cover this.

⁵ New York Public Service Commission. Case 15-E-0751 - In the Matter of the Value of Distributed Energy Resources. Order Clarifying Banking Rules Under The Community Distributed Generation Program.

Effective May 17, 2021.

<https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={9136958C-6A2E-4F1B-9F51-D C73FB5C8547}>

⁶ DE Statute/rule

For net crediting to work, EDCs must always provide the customer's subscription fee to the developer, regardless of whether a customer pays their bill.

This does not mean the EDC or the ratepayer are on the hook to pay for that customer nonpayment. Rather, a portion of the 1% fee EDCs may charge projects to participate in net crediting will cover instances of non-payment or partial-payment (while the remainder is intended to cover net crediting implementation). This will be more than sufficient to cover instances of non-payment. As an analogue, when New York implemented net crediting for their community solar program (community distributed generation), utilities were authorized to charge a 1% fee to cover both implementation and to cover non-payment. DPS provided an option for the utilities to request a fee increase, should it be warranted. To date – more than two years later – no utility has requested a fee increase, which suggests the utilities are satisfied with this compensation.

In the net crediting implementation Order, DPS astutely reasoned that because net crediting requires guaranteed savings, in instances of non-payment a customer on community solar net crediting will always have a lower outstanding balance than if they were not enrolled in net crediting. As such there is less of an unpaid balance for the utilities to cover. Below are two key passages that illustrate this matter:

“The net crediting model avoids putting the utility in the position of collecting a higher charge than it would have applied to the customer by guaranteeing savings to the customer. Therefore, it can be assumed that any partial payment or nonpayment would have happened even in the absence of the customer's CDG membership and there is no risk that the amount of uncollectibles or the utility's exposure will increase. Furthermore, as discussed in more detail below, net crediting can be implemented with limited changes to the physical bill, as compared with other consolidated billing models.”⁷

“Furthermore, because the net crediting model guarantees the bill will decrease as a result of CDG membership, it will benefit both the member and the utility by lowering the chance of underpayment or nonpayment.”⁸

The rules should provide that net crediting is optional, and not mandatory. Indeed we foresee that a majority of projects opting into a net crediting program, but also understand that increased flexibility will enable a broader variety of projects to be built and subscribed.

⁷ New York Public Service Commission. Case 19-M-0463 - In the Matter of Consolidated Billing for Distributed Energy Resources. Order Regarding Consolidated Billing for Community Distributed Generation. December 12, 2019. Page 13
<https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?Mattercaseno=19-M-0463#>

⁸ Id. Page 16

Recommended Amendment: § 14:8-13.6(q) Community solar billing

(q) No later than May 1, 2024, the EDCs shall develop and implement a method for the consolidated billing of a subscriber's utility bill that includes both the applied bill credit and a subscription fee to be paid to the community solar project owner. The consolidated billing shall incorporate a net crediting model, and the following provisions shall apply:

1. All projects shall ***have the option to*** bill customers via utility consolidated billing.

(2 - 5 no change)

6. The EDC shall remit to the project owners the subscription fee, less a utility administrative fee ***regardless of whether a subscriber pays their bill***.

F. The rules should explicitly prohibit credit checks for residential customers as a selection criteria in the sign up process to ensure program access for all customers, particularly those that are low and moderate income or members of overburdened communities

While Subscriber Organizations and Subscription Coordinators should maintain the ability to retrieve customer credit scores, they should not be allowed to rely on them for subscriber eligibility determinations. Indeed, projects may need subscriber credit information, even if unrelated to eligibility to participate, in order to secure favorable financing terms and this ability should be maintained.

Using credit checks as a screening criteria for residential customers is unnecessary for project financial viability. Historically, some project developers and financiers sought to manage nonpayment risk by requiring credit checks when screening for eligibility. Those terms are bad for customers, and today they are not necessary. Subscriber organizations have a number of alternative methods to decrease the risk of a prospective subscriber failing to pay their subscription fees and to otherwise reduce the risk of non-payment, including having a diverse customer base and examining a customer's utility bill payment history.

A prohibition on credit checks will ensure program access for all customers, particularly those that are low and moderate income or members of EJ communities. In 2021, Consumer Financial Protection Bureau (CFPB) produced a report finding that families in majority Black and Hispanic neighborhoods are more likely to have disputes over inaccurate information included on their credit reports.⁹ Including inaccurate information on a credit report can reduce a customer's credit score below the threshold required for participation in a project, through no fault of their own. This runs counter to the program's goals.

If projects are allowed to exclude customers because they have a credit score below a certain limit, the impact will be disproportionately felt in communities that tend to have lower credit scores as a result of inaccurate information on credit scores, historic lack of access to capital, and other factors. In order to meet the State's objectives of increasing access to clean energy

to LMI communities, eligibility screening should not exclude customers based on their credit score.

In sum, requiring credit checks is a needless barrier to program access for many top priority customers. Arcadia suggests these terms be prohibited outright, as the Virginia shared solar program has done for residential customers and the Maryland Community Solar Energy Generating Systems has done for LMI customers:

Virginia code: § 56-594.3(F)13

Prohibit credit checks as a means of establishing eligibility for residential customers to become subscribers;¹⁰

Maryland enrolled bill: Page 16, lines 16-19

A Subscriber Organization or Subscription Coordinator may not require an LMI subscriber to undergo a credit check or pay a sign-up fee to subscribe to a Community Solar Energy Generating System.¹¹

⁹ 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/>

¹⁰ Code of Virginia. § 56-594.3 Shared solar programs. § 56-594.3(F)13.

<https://law.lis.virginia.gov/vacode/title56/chapter23/section56-594.3/>

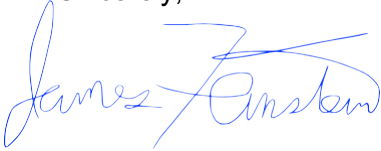
¹¹ Maryland General Assembly. House Bill 908. Electricity - Community Solar Energy Generating Systems Program and Property Taxes.

<https://mgaleg.maryland.gov/mgawebsite/Legislation/Details/hb0908>

V. Conclusion

We appreciate the opportunity to provide these recommendations to the community solar program rules 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,

A handwritten signature in blue ink that reads "James Feinstein". The signature is fluid and cursive, with a large initial "J" and "F".

James Feinstein
Policy Director
Arcadia

APPENDIX - Automatic enrollment is contrary to program objectives.

An automatic enrollment program will slow project deployment, usurp customer choice, increase customer confusion, exacerbate administrative burden for BPU and the EDCs, and institutionalize geographic discrimination in the program. This Appendix describes these issues in more detail.

1. An automatic enrollment program would lead to geographically discriminatory customer access and participation.

The one-size-fits-all nature of automatic enrollment offerings would create geographical disparities in customer access. Given the socioeconomic makeup of many existing GEAs, these programs will be unable to focus on serving overburdened communities with the same reach and rigor that non-GEA customer acquisition and management companies can. For example, if the Toms River GEA automatically enrolls its community in community solar, it would consume the lion's share of the JCP&L territory community solar market. Under these circumstances, it would be exceedingly difficult for other customers, including LMI income customers and those residing in overburdened communities outside of Toms River to subscribe to community solar. At the same time, affluent customers within Toms River could be automatically subscribed to community solar.

Related, GEAs are limited in their ability to focus on enrolling overburdened communities since they are constrained by the particular makeup of a given municipality. If the municipality is largely composed of non-overburdened communities, then it's not clear how the GEA would reach the 80% LMI threshold – would they simply prohibit participation by affluent community members? GEAs are in essence a blunt tool and, as such, no GEA has offered a product specifically for overburdened communities. Additionally, market procurements of energy products facilitated through GEAs do not necessarily yield significant price savings for aggregated consumers, while Arcadia's traditional community solar offering provides guaranteed monthly savings for all - ensuring that LMI subscribers, regardless of whether they happen to reside, whether in an aggregated municipality or not, experience lower energy burdens each month.

A small number of GEAs could effectively govern the offtake for the entire community solar program statewide. Given that at least 53 municipalities have authorized GEA programs, it is reasonable to assume that, if GEA automatic enrollment is approved, only customers living in GEA communities will have access to community solar.

To further build upon the example above regarding the potential impacts of an automatic enrollment program, Toms River has 95,000 residents spread across 37,100 households.¹² If the rules were to be implemented as proposed, it is reasonable to assume Toms River GEA would amend its program to also include automatic enrollment community solar, if permitted by BPU.

¹² United States Census Bureau. QuickFacts: Toms River township, Ocean County, New Jersey; New Jersey
<https://www.census.gov/quickfacts/fact/table/tomsrivertownshipoceancountynewjersey,NJ/INC910221>

Under such circumstances, Toms River households alone could consume up to 247 MW of community solar capacity.¹³ Should BPU award 1,000 MW of community solar capacity through 2030 across all EDC territories, for example, Toms River households would consume more than 24 percent of total program capacity even though the municipality's population comprises a mere one percent of the state total.

Statewide, only a handful of GEAs could consume the entire community solar capacity, meaning that people residing in certain municipalities, such as Newark and Camden, could have little to no access to community solar,. Even if municipalities that are not currently GEA's decided to expand their services and offer community solar, these same administrative and equity burdens would exist. Such municipalities would need to both stand up a new offering, determine trade-offs in who can participate and how to allocate credits, and potentially take up a large share of the market leaving little capacity for individuals living in non-participating municipalities.

2. Customers enrolled via automatic enrollment risk having their choices usurped by a GEA or municipality, and would be subjected to administrative burden and confusion.

GEAs or other municipalities using mass automatic enrollment could end up poaching customers that have already signed a contract with another community solar provider, creating customer confusion and frustration in the process. A significant number of community solar customers have executed subscription agreements with a project owner (or their subscriber organization or other customer enrollment service provider), with the understanding that they will be assigned to the first available project, but are not yet allocated to an active project. This is a common industry practice. Nearly all community solar projects acquire customers before the project is energized and generating credits, thereby ensuring a full revenue stream upon achieving commercial operation. Because subscriber acquisition can take months, projects often start acquiring customers long before they are actually generating credits. Commercial operation is sometimes delayed before the project is energized and delivering credits to customers, due to construction, interconnection, supply chain delays, or billing interruptions. Moreover, once a project reaches operation and is generating electricity, the community solar project typically will still maintain a small waitlist of customers ready to backfill for anticipated customer attrition.

Mass enrollment into GEA or municipality programs, without affirmatively seeking the consent of a municipality's residents, may cause large numbers of community solar customers to unknowingly breach a contract they have already signed with another developer. There would also be no way to check whether GEAs are unilaterally trumping customer choice and enrolling customers in less desirable pricing terms. Rather, such a regiment would place the onus on the GEA or municipal customer to first become aware of the GEA or municipal enrollment, and then take the initiative to opt-out and then re-enroll into the original community solar contract with the terms that the customer originally agreed to. Customers risk having their choices usurped by the GEA or municipality, and subjected to administrative burden and confusion in the process.

Moreover, whereas private sector companies have the ability to use their relationship with the CDG customer as a platform to offer new grid-of-the-future projects (including optimized EV charging and demand response), it is unclear whether GEAs or municipalities will be able to offer such services to their members. There is a ceiling on the offerings that a GEA or municipality can offer since the relationship takes place at the municipal rather than customer level. Due to their opt-out structure, participants may not even know they are enrolled in the GEA or municipal program. This is a byproduct of the model that purposefully diminishes the consumer's choice in her electricity decisions, ceding authority to the local government to make those decisions for her in the first instance. Individual customers, if they are paying attention, have the ability to affirmatively decline to participate in the program, but the vast majority will decline to do so in light of the administrative burden.

3. An automatic enrollment program would reduce customer savings and decrease competition.

Implementing an automatic enrollment program would abandon the existing competitive, market-based approach in favor of government procurement. Community solar providers are intrinsically motivated to deliver the best value proposition to their subscribers by maximizing individual cost savings; otherwise, the provider risks losing the customer to another competitor. With an automatic enrollment community solar program, however, the focus shifts to achieving savings for the broader community, meaning certain individual customers may enjoy less savings compared to what could be achieved on the open market. Indeed, customers are currently able to review program offerings and select the best product amongst all community solar providers within their utility service territory; whereas, with municipal led solicitations, only a few select service offerings will be made available to customers, and the municipality, not the customer, will ultimately select the product offering it feels is collectively most beneficial without regard to individual customer savings.

4. Automatic enrollment is administratively burdensome.

An automatic enrollment program could place additional administrative burdens on existing community solar programs. For instance, since GEA customers could be enrolled in community solar programs on an opt-out basis, there is a very real possibility that a customer interested in a community solar project offered by a third party could unwittingly fail to opt-out of the municipal community solar program and then separately enroll in the third party community solar project. Since the EDC will reject this customer enrolling in the third party project, this would lead to additional costs for the independent community solar developer who must now replace that customer and may lead to increased GEA complaints from customers that do not know or understand that they were enrolled in the municipality's GEA program.

13 Assumes an average of 150 households per MW.

5. Automatic enrollment models are not rooted in customer choice and do not prioritize customer engagement, therefore, they cannot serve as an entrée for other distributed energy resources beyond community solar.

Because automatic enrollment models are not rooted in customer choice and do not prioritize customer engagement, they cannot serve as an entrée for other distributed energy resources beyond community solar. Whereas Arcadia's model is centered on building a relationship with the customer that may begin with a community solar subscription, but is anticipated to lead to other distributed offerings in the future such as optimizing electric vehicle charging in connection with time-of-use rates, the automatic enrollment model minimizes the customer's role and thus does not effectively serve as a gateway for innovative offerings catered to individual customers.