Arcadia Power

October 28, 2016

Judith Judson, Michael Judge, and Kaitlin Kelly
Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

Dear Ms. Judson, Mr. Judge, and Ms. Kelly,

Thank you for the opportunity to comment on the Development of the Next Solar Incentive for Massachusetts, and in particular on the Straw Proposal presented on September 23, 2016. Thank you for all of your hard work and thoughtful analysis in creating this proposal.

Arcadia Power is a nationwide renewable energy software company. Our technology provides access to renewable energy products and services to customers who have historically had few if any choices to support renewable energy. We are a Certified B-Corporation with over 10,000 customers in all 50 states, and currently have 250 kW of community solar in operation.

Arcadia Power provides services to solar developers and financiers involved in the development of community shared solar projects in Massachusetts, among other states. We specialize in online subscriber signups, allocations and billing management, customer support, subscription renewals and transfers, solar production analytics, and providing an ongoing subscriber experience that our customers love. Featured projects can be viewed at www.arcadiapower.com/solar.

We write today to provide constructive feedback on the Straw Proposal, on the topic of Community Shared Solar.

Community Shared Solar

We commend DOER on the objective to “Ensure widespread access to incentives for all ratepayers (e.g., community shared solar, low income, etc.)” and for the success of the SREC II program in growing community shared solar to nearly 350 MW (more than 20% of all SREC II capacity), according to the most recent qualified units data.

We further appreciate DOER’s objective to “Enable continued solar market growth without expanded net metering caps”.

To achieve both of these objectives -- ensuring widespread access, and enabling growth without net metering -- we believe DOER is taking exactly the right step by expanding the definition of community shared solar to incorporate additional business models. However, we are concerned that this definitional expansion is limited to retail electric suppliers.

In particular, we propose the following adjustment to DOER's updated community shared solar definition:

> Community Shared Solar Generation Unit. A solar photovoltaic Generation Unit that provides electricity or net metering credits **or payment for electricity production** to three or more utility accounts, whose participants have an interest in the production of the Generation Unit or the entity that owns the Generation Unit, in the form of formal ownership, a lease agreement, a retail supply contract, or a net metering contract. No more than two participants may receive electricity or net metering credits in excess of those produced annually by 25 kW AC capacity, and the combined share of said participants' capacity shall not exceed 50% of the total capacity of the Generation Unit, except in the case of Generation Units smaller than 100 kW AC.

This proposed adjustment to DOER's updated community shared solar definition is consistent with the Straw Proposal, where DOER ponders, "Other alternatives to using the retail supply market to provide energy savings to off-takers may be possible (e.g. utility bill crediting mechanism that does not utilize net metering)."

With that in mind, we ask DOER to consider our proposed adjustment, together with the following three significant benefits that we believe our proposed adjustment provides:

1) **Improved community shared solar project financial viability without net metering**

   Our proposed adjustment would enable non-net metered systems to qualify as community shared solar generation units, thereby enabling investors to utilize the proposed community shared solar adder irrespective of net metering caps. We believe this is critical to incentivize investors to continue developing community shared solar systems, which in turn is critical to DOER's objective to ensuring widespread access to incentives.

   In particular, project developers could sign up participants (via an ownership, lease, or perhaps other form of subscription contract) to a community shared solar project, collect the tariff for the project's solar production, and distribute a portion of the tariff value to participants. In Arcadia Power's case, our software is capable of applying credits to customers' utility bills (including all investor-owned and many municipal utilities in Massachusetts). The customer experience would be very similar to a virtual net metered solar project, with the significant advantage that developers would not need to qualify under utility net metering caps and would not need to collect monthly payments from community solar participants -- instead, the participants would simply receive their share of electricity value each month according to the system's production and the per kWh credit rate defined by the participant's ownership share, lease, or other agreement.

2) Greater opportunity for inclusion of low income customers

Another significant advantage of our proposed adjustment is that, with centralized tariff collection by the project developer for distribution to participants (in Arcadia Power's case, directly to participant utility bills), nearly all utility customers would be considered creditworthy.*

The single most significant impediments to inclusion of low income customers in virtual net metered community shared solar projects is the need to collect ongoing fees from project participants, and the stringent credit requirements that underwriters impose as a result. The proposed adjustment completely removes this impediment, as monthly collections would no longer be necessary.

In addition, due to the ability to consider nearly all customers creditworthy, the signup process would be simplified for all customers, not only low income customers, by reducing the amount of sensitive personal information (such as social security number and FICO score) that interested participants would be required to provide.

*We specify nearly all and not all, because we believe maintaining a utility account in good standing would be a requirement for participation.

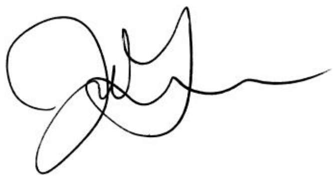
3) Reduced utility administrative burden for community shared solar projects

Finally, our proposed adjustment significantly reduces the burden on utilities, in particular to process Schedule Z forms, which we understand are largely processed by hand. Community shared solar projects that function without net metering would not require utilities to process monthly transactions or process and continually update Schedule Z forms. Instead, payment for solar electricity production (in Arcadia Power's case, applied as utility bill credits) as well as changes or transfers in project membership would be implemented without burdening the utility.

One way to think about this is using the example of a group of friends eating out at a restaurant together. The diners could force the restaurant to bring each individual his or her own check. Or one friend could pay and settle up with the others separately from the restaurant. Technologies like Paypal, Venmo, and numerous others have made this remarkably simple. The market is ready for community shared solar distributions to be simplified as well, and allocation of net metering credits by utilities is no longer the best or only method for administering shared value across solar project participants.

Thank you again for your hard work on the Next Solar Incentive for Massachusetts and for the opportunity to comment. Please do not hesitate to contact me at the information below.

Sincerely,



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