



UM 1930 – Community Solar Program

Staff Draft Recommendation and Request for Comments Use of Agent Subscription Model

June 14, 2022

This document describes the Oregon Public Utility Commission Staff's draft recommendation on use of the agent subscription model in the Community Solar Program (CSP or Program). Staff requests written comments on this draft recommendation by June 28, 2022. **Please email comments to puc.filingcenter@puc.oregon.gov.**

Schedule

June 14, 2022 – Draft recommendation posted for public comment

June 28, 2022 – Written public comment due

July 18, 2022 – Revised recommendation posted to Docket No. UM 1930

July 26, 2022 – Commission decision at public meeting

Definitions

- Project Managers (PM) are responsible for developing, owning and/or operating a CSP project, and must register with the Program and agree to the CSP Code of Conduct before submitting projects for pre-certification.
- Project Managers may also designate a separate Subscription Manager (SM) that is primarily responsible for conducting customer outreach and acquisition on behalf of a Project Manager and its pre-certified CSP project.
- The agent subscription model (Model) is one where limited power of attorney is granted to an agent, typically a Subscription Manager or Project Manager, which allows the agent to:
 - administer the participant's electric utility account;
 - subscribe the participant to a Community Solar project; and
 - provide the participant with a consolidated bill, paid to the agent instead of the utility.

Background

Oregon Senate Bill (SB) 1547 (2016), directs the Public Utility Commission of Oregon (Commission) to establish a Community Solar Program. The CSP, codified in Oregon Revised Statute (ORS) 757.386, provides electric company customers an opportunity to share in the costs and benefits of solar generation. The administrative rules and Program Implementation Manual (PIM) define the requirements for Project participation in the Program and provide

extensive participant protections.¹ At least four pre-certified projects have begun using an agent subscription model for the purposes of securing project subscribers.

Staff's draft recommendation, presented below, is informed by a thorough review of an agent subscription model. Staff coordinated with Project Managers and utilities, reviewed information about use of an agent subscription model provided by Common Energy and Arcadia, and reviewed stakeholder comments in UM 1930. Staff also hosted a March public workshop where Common Energy, Arcadia, and Portland General Electric (PGE) presented on the use of the Model in the Program. The Program Administrator and Low-Income Facilitator have also provided guidance to Staff on the impact of allowing an agent subscription model and related processes in the Program.

While a Project seeking to utilize an agent subscription model must seek individual approval,² the Community Solar Program must decide whether to invest the time, resources, and ratepayer funds necessary to enable use of the agent subscription model. Because of development timelines associated with altering the Program's information systems to accommodate the use of the agent subscription model, the Program may not have time to implement alterations necessary to enable use of an agent subscription model if it were to wait until a project requested use of the Model.³ This would cause delays for projects and participants, and could result in financial losses to developers.

A proactive approach is necessary to provide certainty for both projects and participants. To receive project financing, investors and lenders require minimum certainty of a Project's viability and a decision on use of an agent subscription model will eliminate hurdles in project development. Certainty for participants is similarly crucial. Participant certainty is necessary for maintaining a good participant experience and building and maintaining trust in the Program. Staff has learned that Arcadia is maintaining a waitlist of participants for the Program. However, because Arcadia is not currently affiliated with a project and no project has applied to use an agent subscription model, the participants who have signed up with the company have no certainty as to their ability to participate in the CSP. Similarly, Staff is aware of efforts by

¹ See OAR Division 88 of Chapter 860; The CSP Program Implementation Manual was first adopted in PUC Order No. 19-438; The most current version of the PIM was approved in Order No. 22-007 and is available at <https://www.oregoncsp.org/pim/>.

² The Program has established that use of agent agreements materially affects a project's ability to participate in the CSP. The PIM requires Program approval for project pre-certification and major revisions, or "[o]ther significant changes that materially affect the project's eligibility for Pre-certification, as determined by the Program Administrator or Oregon Public Utility Commission." PIM p. 66. Though Staff is aware of multiple companies seeking to use an agent subscription model in the Program, there are no current applications to use an agent subscription model.

³ Where use of an agent subscription model is included as part of a pre-certification application, the program may have up to 24 months to implement necessary changes before the Project comes online. However, if a pre-certified project applies to utilize an agent subscription model, the Program may only have a few months before the Project comes online.

Common Energy to sign up residential and commercial participants in the Program creating additional uncertainty for participants.

Staff Draft Recommendation

Staff recommends not permitting use of an agent subscription model in the Community Solar Program because use of an agent subscription model:

- I. does not provide significant additional benefits for participants;
- II. creates risks for participants and the Program;
- III. creates specific, additional barriers for low-income participation;
- IV. would require additional ratepayer funds to implement.

I. The Program already provides the primary benefits of an agent subscription model

The primary benefits of the Model are providing participants with a consolidated bill, or a bill which shows a participant's utility charges along with the fees and credits associated with CSP participation, and accurate accounting of bill credit information. Both benefits, however, are already built into the Community Solar Program. In close collaboration with the Program Administrator and Staff, PGE, PacifiCorp, and Idaho Power have developed and provide CSP participants with Program information on their monthly utility bill, including the credits and fees associated with the participant's CSP subscription. Similarly, the Program Administrator has developed a robust system for tracking and accounting bill credits that appear on a participants' consolidated bill.

II. Allowing an agent subscription model creates additional risks

The agent subscription model creates additional risk for participants and creates barriers to low-income participation. Because a participant is receiving a bill from a Subscription Manager or Project Manager instead of the utility, participants are not guaranteed the same level of service or protection that the Commission requires utilities to provide.

- Reduced access to utility bill and utility communications: Utilities regularly send their customers important electronic messages along with, and separate from, monthly bills. These messages can range from seasonal reminders or information about cost-saving programs to critical messages about outages and emergencies. Because an agent subscription model allows a project to administer a participant's utility account, the customer may lose some or all access to their utility account. The customer may receive utility notices only if a Project Manager or Subscription Manager chooses to pass them on.
- Need to reestablish utility contact if CSP participation ends: As part of administering a participant's utility account, an assigned agent may change a participant's utility account credentials. In the event a participant cancels their contract, they would have to reestablish access to their utility account. This additional process increases risk that the participant may not receive utility bills or other communications from their utility.

- Unintended consequences for participants: Participants are likely unaware that an agent subscription model may include risks and terms not otherwise contained in the Community Solar Program including:
 - The ability of an assigned agent to enroll them in programs unrelated to Community Solar Program
 - Sharing of participant data with parties unrelated to the Community Solar Program
 - Use of participant data to solicit participation in unrelated programs
 - Transfer of participant to another project or agent without consent

Use of an agent subscription model also introduces complexity for the Program itself, which may lead to participant confusion and reduced trust in the program.

- Informing participants about the Program: The risks and barriers identified represent some of the numerous differences between the Program as designed and projects using an agent subscription model. Communicating these differences to all interested participants would place an administrative burden on the Program Administrator and make it more difficult for participants to understand the Program. Informal comments by Project Managers indicate that residential and low-income recruitment hinge on being able to easily and simply explain the Program.
- More complex and inconsistent methods for transfer of data: The Program Administrator, utilities and Staff continue to develop CSP information systems that support the movement of Program funds and data between participants, utilities, the Program, and Project Managers. These information systems allow the utilities to provide participants with a consolidated bill, allow the Program to accurately account for participant bill credits, and ensure the Program Administrator and Project Managers receive funds per the Program design. This already complex system becomes significantly more complex when participants make payments to the agent instead of the utility, which alters every step of the information and payment exchange.

III. Allowing an agent subscription model creates specific, additional barriers for low-income participation

Importantly, an agent subscription model introduces additional barriers to low-income participation. Staff finds these barriers inconsistent with the overarching objective of the CSP to establish an equitable opportunity for consumers that have not been able to access solar generation opportunities and incentives.⁴

- Electronic registration: Requiring participants to sign up for participation and receive notifications about their subscription online and provide an email address creates income and age-related barriers associated with the digital divide.
- Auto-pay: Requiring the use of auto-pay presents a barrier to low-income customers since auto-pay typically requires a credit card.

⁴ Staff Memo dated Oct. 4, 2019, memorialized in Commission Order No. 19-392 on November 8, 2019.

- Un-enrollment from equal pay programs: Equal payment plans provide steady, predictable utility bills. An assigned agent may unenroll participants from equal pay programs. Staff has learned that this is standard practice for both Arcadia and Common Energy.
- Prohibition on partial payments: Neither Arcadia nor Common Energy allow partial payments, instead terminating their contracts and unenrolling participants from the Program. The Commission acknowledged that punishing participants who cannot pay their utility bills in full every month by unenrolling them from the program hurts vulnerable LI participants and increases the administrative costs related to outreach and turnover.

IV. Allowing an agent subscription model would require additional ratepayer funds

Use of an agent subscription model will add costs to CSP administration and compromise investments made to date. In speaking with Common Energy and Arcadia, Staff discovered that payment procedures associated with an agent subscription model do not conform with the CSP's information systems. The Program Administrator has estimated that it will require approximately \$200,000 in additional ratepayer funds to further develop the information systems to accommodate use of the Model. Additionally, the Program Administrator would need to consult with the utilities about necessary changes to the data exchange, which may result in changes to the utility billing system and thus add costs. The utilities' assessment of additional costs may also be delayed due to utility billing system improvements already underway and scheduled for the next several months.

When individual projects utilize different processes from the rest of the Program, costs to administer the program also increase. The Program Administrator also indicated that the Program may lose access to some data that would otherwise prove useful for Program evaluation and assessment. The increased administrative costs associated with utilizing an agent subscription agreement are currently unknown.

Conclusion

In addition to the Program already providing the primary benefits of an agent subscription model, Staff identified a number of expected and possible risks and costs to participants, the Program, and ratepayers. Staff identified several areas where an agent subscription model conflicts with Staff's established decision-making principles, Program requirements, and equitable access objectives. Consequently, Staff recommends not allowing use of an agent subscription in the Community Solar Program.

How to submit comments

Please email comments on this draft recommendation to puc.filingcenter@puc.oregon.gov by June 28, 2022.

Staff contact

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May 5th, 2022

OPUC Staff,

Community Energy Project (CEP) would like to express concerns and state their position on the use of the agent subscription model for low-income (LI) participants in the Oregon Community Solar Program (CSP or Program).

As the Low-Income Facilitator (LIF) for the Program, CEP provides outreach, education, and customer service for low-income subscribers in addition to advocating for policies that best serve the needs of these subscribers. For decades, CEP has provided services and programming aimed at creating safe, healthy, and efficient homes for low income people. The relationships that CEP has formed with communities and organizations statewide are founded on our principles of equity and access.

As a part of the CSP Program Administration (PA) team, CEP has worked carefully with partners and utilities to ensure that the Program provides safe and positive opportunities for low-income Oregonians, which has motivated us to design programs for our most vulnerable LI customers, such as frontline communities, seniors, and people with disabilities. Subscription Managers (SM) should not be exempt from providing the same protections and opportunities as previous Project Managers (PM).

CEP argues that the use of off-bill subscription models by Subscription Managers is harmful to low-income participants for the following reasons:

1. Require customers to register with SM website including providing email address

The Digital Divide is both [income related](#) and [age related](#). While many people may technically have an email address, LI people are 21% less likely to have a smartphone and 36% less likely to have strong home internet. Even now, when COVID has forced so much outreach to become digital, 16% of LI customers currently signed up for the program do not have email. Many more, additionally, must go to special lengths to access email. On top of this, there is a generational divide with LI seniors on fixed incomes, and you have large numbers of people who cannot engage with electronic interfaces on a regular basis, let alone receive important notifications about their accounts or resolve issues online. Utility bills can be provided electronically, and many customers choose to continue to receive paper versions because that is what is best for them.

2. Require customers enroll in auto-pay

Auto-pay typically requires a credit card, something that [LI customers have far less access to](#). Additionally, LI people often have to make choices between paying some bills in full, and other bills partially, and auto-pay reduces the freedom to do so. Utilities already provide auto-pay options, which many customers decline to utilize for a variety of reasons. While CEP has advocated against credit checks for LI customers because access to credit is often a luxury, auto-pay is another form of credit checking.

3. Un-enroll customer in utility equal pay

Equal payment plans are utilized by many LI customers in order to have steady, predictable utility bills. While those with more money can handle higher bills in the winter around the holidays, and higher bills with air conditioning in the summer, those on a fixed income such as social security and disability often cannot. While it is an assumption that LI customers are more likely to have equal payment plans, it is clear that such an option will have more significant value to a person on a fixed income.

4. Not allow customers to make partial payments

The PA team worked extensively with the utilities for over a year to resolve the issues around partial payments, which disproportionately impact LI and frontline communities. The PUC has already acknowledged that punishing those who cannot pay their utility bills in full every month by unenrolling them from the program hurts vulnerable LI participants and increases the administrative costs of outreach and turnover that will be caused by removing LI people from a program for being LI. CEP saw high turnover during intake when we had to walk people through the complicated process of partial payments.

5. Collecting payment from CSP participant only after SM has paid the utility on the customer's behalf.

CEP is concerned about how this practice will impact energy assistance payments, and whether or not this will disqualify participants from receiving energy assistance, since the utility balance can be \$0 while the balance to Arcadia can be any amount.

6. Confusion as CSP participants receive unfamiliar consolidated bill several to many months after signing up.

Working with an aging population as well as those with cognitive limitations, we are also concerned about the likelihood of confusion for customers. With some projects in solar being delayed again and again, people may be assigned to a project for a year between sign-up and a project turning on, allowing a lot of time for people to forget the name of the company that signed them up previously.

7. Not be responsible for fees a customer may incur from their financial institution if a customer's full, on-time payment is not successful (indicated in DOJ's review of Arcadia's contract).

A core element of the program was designed to do no harm to LI customers. If customers are more likely to incur fees as a result of consolidated billing, this is clearly a downside. Additionally, LI customers may be more likely to have issues with successful payments if they have less access to web-based support and email notifications, as well as issues with creditworthiness or overdrawn payment methods.

In conclusion, CEP recommends LI participants be protected from the use of agent subscription models so that the Oregon Community Solar Program can continue to provide subscribers with safe and beneficial opportunities to support renewable energy.