

ARCADIA POWER: AN ANALYSIS BY NC WARN

Introduction:

Arcadia Power (arcadiapower.com) is a company that advertises itself as an alternative to your local utility that gives you control over what kind of power you use. What they are actually doing is coordinating the sale of renewable energy certificates (RECs).

What is a REC?

Whenever 1 megawatt-hour of renewable energy is generated, it creates 1 REC. That REC can be sold by the energy producer to an individual, company or utility that uses the REC to satisfy mandatory or voluntary clean energy targets. For example, if you have solar on your roof and receive credits from Duke Energy through net metering, you are creating RECs and assigning them to Duke Energy, which is using them to meet the renewable energy portfolio standard (REPS) mandated by the NC General Assembly in 2007.

RECs can be bought and sold, but only one REC owner can use the RECs to satisfy its clean energy target. Once the REC has been applied toward a target, it is said to be “retired.”

When you sign up with Arcadia, Arcadia buys RECs from wind energy producers and retires them on your behalf. It is for this reason that Arcadia’s promotional material says that you are offsetting your electricity usage. You are fulfilling your own voluntary clean energy target!

Here’s a great video from EPA explaining RECs:

<https://www.youtube.com/watch?v=12VYXms6-c>

The wind projects supported by Arcadia Power are not in North Carolina, but the climate doesn’t care where the wind power is generated! Every bit anywhere helps. Here’s a list of Arcadia-supported wind farms:

<https://support.arcadiapower.com/hc/en-us/articles/360007688914-Where-are-the-wind-farms->

REC transactions are often certified by third parties. Arcadia Power was certified by Green-e until April 2018. It is unclear why that changed. Arcadia’s explanation is here:

[https://blog.arcadiapower.com/arcadia-powers-wind-energy-certifications/.](https://blog.arcadiapower.com/arcadia-powers-wind-energy-certifications/)

How Arcadia Works & What Arcadia Offers

You can choose between two Arcadia Power plans:

- A free plan that offsets 50% of your electricity usage
- A premium plan that offsets 100% of your usage

If you sign up for the free plan, Arcadia itself buys RECs from one of the wind energy producers and retires them on your behalf. This is a “loss leader” offer, because Arcadia hopes that you will eventually sign up for the premium plan and pay for your own RECs.

If you sign up for the premium plan, you will pay an additional cost equal to your monthly kilowatt-hour usage times \$0.015 (with a \$5 monthly minimum charge). This amount means that you are offsetting your entire electric usage by purchasing RECs from wind energy developers.

Arcadia also allows you to:

- Buy LED bulbs and other energy-saving products and pay for them over time.

- Buy into community solar programs* in other states where you will actually get a return on your money over time (pay \$100 now and get \$120 back over 10 years; more info at <https://www.arcadiapower.com/community-solar/>).

In some states with deregulated electric utility markets (this does not include North Carolina), Arcadia offers a “price alert” service that allows customers to save money because Arcadia shops around for the cheapest rate available (more at <https://www.arcadiapower.com/price-alerts/>).

Billing

When you sign up with Arcadia, your bill no longer comes from your local utility. Instead, you will receive your bill from Arcadia. Arcadia then pays your utility the amount that you owe the utility, and you pay Arcadia the sum of your utility bill plus any Arcadia products you purchase. Most North Carolina utilities participate. You can check whether your utility is one of them during the Arcadia signup process.

To participate, you must enroll in automatic bill-pay, and you must have an online login account with your utility. The Arcadia customer service agents can help you set up both of these accounts.

If your utility does not participate, you can still sign up for Arcadia’s “Evergreen” membership and offset your electric usage by supporting wind power. You will continue paying your utility for the power you use, and you will be billed separately by Arcadia for the RECs that support the wind power. Evergreen customers are not eligible for the free account.

Special note for solar net metering customers: If you have solar and are receiving net metering credits on your electric bill, you can still be an Arcadia Power member, but you must sign up under Arcadia’s Evergreen plan. You will be able to offset your kilowatt-hours not already credited against your net-metered solar power generation, and you will be able to participate in Arcadia’s on-bill financing of LEDs and other energy efficiency products, but you will not be able to participate in Arcadia’s community solar program.

Alternatives/additions to Arcadia Power membership

NC Green Power

Through any North Carolina utility, you can pay extra on your electric bill each month (in blocks of \$4) to support renewable energy in North Carolina. For each block you buy, \$2 purchases 50 kWh of green power from a North Carolina renewable energy producer (as RECs) and \$2 supports the installation of solar demonstration projects at North Carolina K-12 schools. Learn more: <https://www.ncgreenpower.org/donate/utility-bill-signup/>

NC WARN

The above options are a way to support clean energy in proportion to the electricity you are using. Becoming a member of NC WARN offers you a way to make a contribution on a much larger scale because you are supporting work that puts pressure on Duke Energy to make a swift transition away from fossil fuels to renewable energy. Our Clean Path 2025 campaign works with local action teams around the state to reduce fossil fuel emissions from electricity 100% by 2030 and get halfway there by 2025. For an even bigger impact on clean energy, join NC WARN today at ncwarn.org/donate.

* **A note on community solar:** HB 589, the 2017 energy bill in North Carolina, called for a community solar program in North Carolina, to be operated by Duke Energy. The proposal Duke submitted to the Utilities Commission was much worse than the Arcadia community solar deal. Instead of a net profit, you would lose 51% of your investment over 20 years. The proposal has now been approved by the Commission. Depending on how it is implemented, there may be some improvement compared to the proposal, but Arcadia’s community solar is likely to remain a much better deal.