

**COMMENTS BY  
THE STAFF OF THE ILLINOIS COMMERCE COMMISSION ON THE  
ILLINOIS POWER AGENCY'S SEPTEMBER 29, 2014 DRAFT  
SUPPLEMENTAL PHOTOVOLTAIC PROCUREMENT PLAN**

**October 14, 2014**

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On September 29, 2014, pursuant to Section 1-56(i) of the Illinois Power Agency Act (“IPA Act”), the Illinois Power Agency (“IPA”) made available to the public a “Draft Supplemental Photovoltaic Procurement Plan” (“Draft Plan”) and invited interested parties to submit comments on the Draft Plan by October 14, 2014. In response, the Staff of the Illinois Commerce Commission (“Staff”) hereby submits these Comments to the IPA.

### **Benchmark Review and Approval**

The IPA states: “Developed benchmarks will not require Commission pre-approval.” Draft Plan at 23. Staff agrees that according to Section 1-56(i)(4)(F):

Benchmarks for each product to be procured shall be developed by the procurement administrator in consultation with Commission staff, the Agency, and the procurement monitor for use in this supplemental procurement. 20 ILCS 3855/1-56(i)(4)(F).

Staff does not disagree with the IPA that this Section of the Act does not *explicitly* direct the Commission to review and approve the benchmarks for this supplemental PV procurement. Section 1-74 of the IPA Act and Section 16-111.5(e)(3) of the Public Utilities Act, which address other procurements, do specify that the Commission will review and approve benchmarks. That said, Staff does not recommend that the IPA amend its Plan to provide for the benchmarks to the Commission for its review and approval.

### **Creation of Renewable Energy Credits**

The Draft Plan mentions that “For purposes of this supplemental PV procurement, the size of a system will be defined as the nameplate DC rating of the

photovoltaic system on a kW basis.” Nevertheless, it is Staff’s understanding that renewable energy credits (“REC”) are generally issued by tracking organizations, like M-RETS and PJM-EIS, on the basis of the alternating current (“AC”) output of distributed generation devices, measured at the customer’s power inverter or generator. Furthermore, in the absence of such a meter measuring production, total energy production is assumed to be the hourly net positive generation flowing to the distribution system (i.e., behind the meter generation less consumption). To avoid confusion, Staff recommends that the plan be modified to make it clear that RECs will be created in accordance with such operating rules.

For instance, both the “Generation Attribute Tracking System (GATS) Operating Rules,” Revision 8, May 2014, issued by PJM-EIS, and the “Midwest Renewable Energy Tracking System Operating Procedures,” as amended August 11, 2014, define “Customer-Sited Distributed Generation” as “Generation interconnected behind a retail customer meter and therefore not directly interconnected with either the distribution system or transmission system (including net metered facilities).” For such facilities, Section 7.1 of the Midwest Renewable Energy Tracking System Operating Procedures further states:

For customer-sited distributed generators, the original data source for reporting total energy production must be from revenue-quality metering at the AC output of an inverter, adjusted to reflect the energy delivered into either the transmission or distribution grid at the generator bus bar. In the absence of a meter measuring production as described above (i.e. if there is no meter at the inverter), the original data source for reporting total energy production must be from revenue-quality metering placed to measure only the hourly positive generation flowing to the distribution system, adjusted to reflect the energy delivered into either the transmission or distribution grid at the generator bus bar.

The GATS Operating Rules, Section 6.3.6, say essentially the same thing.

Proposed Edits to the Draft Plan  
(IPA Draft Plan, September 29, 2015, p. 14)

This supplemental PV procurement plan is for the purchase of RECs from photovoltaic DG systems. Contracts will be based upon the delivery of certain quantities of RECs over a five year period at a price per REC set through competitive sealed bids selected by price and an effort to balance system size. RECs shall be created in accordance with the operating rules or procedures of either PJM-GATS or the Midwest Renewable Energy Tracking System. For generation interconnected behind a retail customer meter and therefore not directly interconnected with either the distribution system or transmission system (including net metered facilities), this will usually mean that the original data source for reporting total energy production must be from revenue-quality metering at the alternating current ("AC") output of an inverter, adjusted to reflect the energy delivered into either the transmission or distribution grid at the generator bus bar. In the absence of a meter measuring production as described above (i.e. if there is no meter at the inverter), the original data source for reporting total energy production must be from revenue-quality metering placed to measure only the hourly positive generation flowing to the distribution system, adjusted to reflect the energy delivered into either the transmission or distribution grid at the generator bus bar. As the IPA Act specifically discusses categorizing systems that provide RECs by system size, the IPA proposes that a standard capacity factor be used for calculating the number of RECs that would be produced over the life of the contract. Average capacity factors for photovoltaic DG systems in Illinois are between approximately 10.5% and 14.5%. The Agency proposes a standard capacity factor of 11.416% to convert the direct current ("DC") nameplate capacity of a photovoltaic system into the number of RECs that the system is expected to produce.

## Conclusion

Staff respectfully requests that the Illinois Power Agency revise its Draft Plan consistent with Staff's Comments herein.

Respectfully submitted,

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