

# Long-Term Renewable Resource Procurement Plan Update

## Stakeholder Workshop

Community Solar, Consumer Protections

June 26, 2019

# Remote Participation

- Call-in number:

888-494-4032; 9897235124#

- During the workshop please submit questions to:

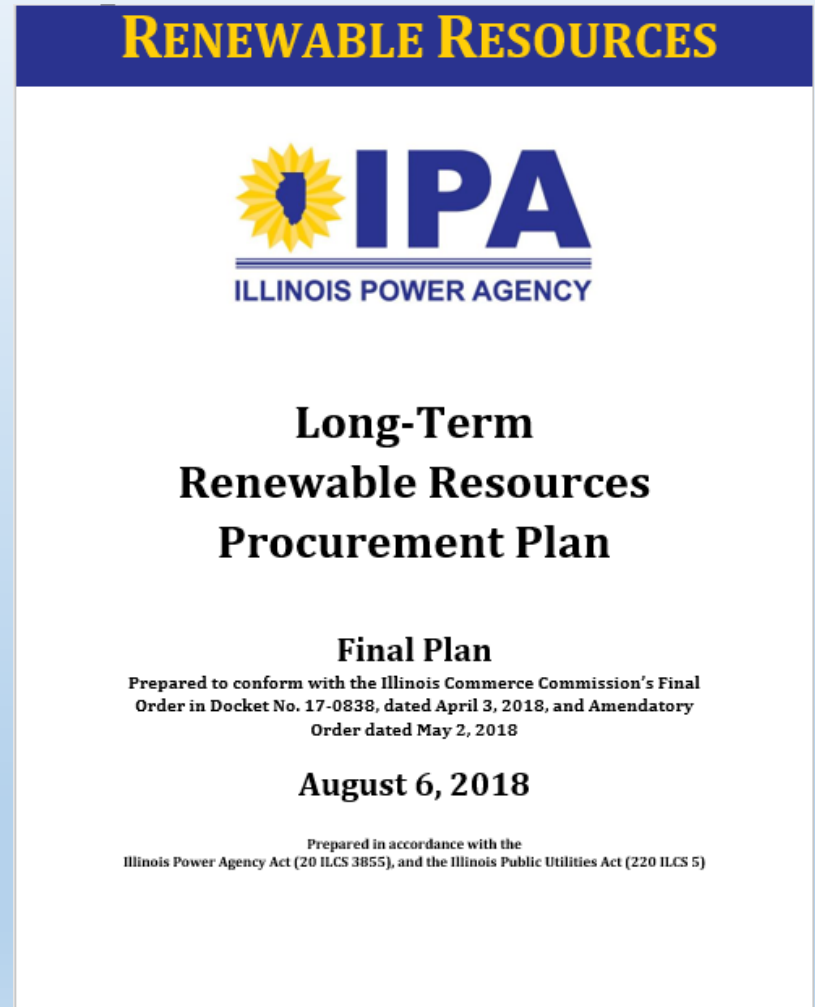
[IPA.contactus@Illinois.gov](mailto:IPA.contactus@Illinois.gov)

# Workshop Goals

- The purpose of this workshop is to take stakeholder input on the update to the Illinois Power Agency's Long-Term Renewable Resources Procurement Plan.
- The Agency will also issue a written Request for Comments after this workshop.
- **Discussion of potential approaches to the update of the Long-Term Renewable Resources Procurement Plan should be considered preliminary in nature.**
- The Agency will release a draft Plan update for comments, and file a Plan update for approval by the Illinois Commerce Commission.
  - See June 20 morning workshop [presentation](#) for more information on the process

# Plan Structure

1. Introduction
2. Legislative/Regulatory Requirements of the Plan
3. RPS Goals, Targets, and Budgets
4. Renewable Energy Credit Requirements
5. Competitive Procurement Schedule
- 6. Adjustable Block Program**
- 7. Community Renewable Generation Projects**
8. Illinois Solar for All Program



# Managing Community Solar waitlist/new applications

- 451 projects on Group A waitlist (857 MW)
  - 1 project taken from waitlist so far
- 352 projects on Group B waitlist (697 MW)
  - 3 projects taken from waitlist so far
  - ComEd continuing to conduct interconnection cost restudies

(Note that until Plan update approved by Commission the waitlist maintains the ordinal number order from the lottery)

Any new projects? To this point, doesn't appear so....

# Options for Managing Waitlist (\*for discussion purposes only\*)

- Continue to maintain lottery ordinal positions
- Reshuffle (another random selection process!)
- Prioritize according to new criteria
  - Smaller sized projects
  - Geographic diversity
  - Project attributes
    - Allow projects to make new commitments (e.g., pollinator friendly, subscription models)
  - Developer attributes
  - Scoring based on some combination of the above
- Window for new projects to apply and join waitlist, then reorder waitlist randomly, or using additional criteria?
- Other approaches?

# Challenges with CS Project Applications Received to Date

- Geographic diversity? Sort of . . .
  - Geographic diversity referenced as priority in the law
  - Good statewide coverage of CS projects
  - Good overall diversity of ABP projects
  - Community Solar almost exclusively rural areas, however
- Project type diversity?
  - Vast majority of applications at 2 MW
  - Vast majority located in more remote rural areas
  - Ways to introduce more “community” into community solar?
- Small subscribers?? Small subscribers!!

# Small Subscriber Adder

- Rather than requiring small subscribers, Agency elected to have a small subscriber adder as an incentive

- Extrapolated from Rhode Island cost model

Adder	\$/REC	
	Group A	Group B
Less than 25% small subscriber	No adder	No adder
25% to 50% small subscriber	\$11.17	\$10.88
Over 50% to 75% small subscriber	\$22.34	\$21.77
Greater than 75% small subscriber	\$33.51	\$32.65

- 50% small subscriber commitment (with penalties) also part of round 1 of lottery. Nearly all projects committed to it
- In Minnesota 87% of community solar capacity is non-residential
  - Minnesota recently adopted 1.5¢/kWh residential adder, equivalent to \$15/REC
  - Is this a more appropriate level for small subscribers?
- If the small subscriber adder is updated, how should that impact selected waitlist projects that had made a small subscriber commitment?
 

[Current Plan and REC contract call for 20% REC value penalty for failure to reach 50% small subscribers, after such a commitment]



# Community Solar Net Metering and Supply Options

- Net metering and choosing supply options outside scope of Plan but has implications for how program is run
- Initial observations
  - How do ARES set community solar net metering credit rates? [Law requires “energy supply rate”]
  - Potential pairing of ARES offers with community solar subscription offers
  - Intersection between community solar and municipal aggregation
    - Net metering rate changes when a municipality switches residents’ load to a particular ARES
    - Can municipal aggregation authority cover community solar subscriptions? (“sale and purchase of electricity and **related services**”)

# Consumer Protection: Process

- Looking to codify consumer protections through proceeding
  - Allows for litigation for key issues
  - Gives us cover of an adjudicated administrative order
- Will still seek flexibility to make adjustments
- May attach existing marketing guidelines, other documents with Plan
- May also tweak and make new proposals; everything still under review
  - Still working through where any issues lie (limited experience)
  - Appreciate stakeholder feedback through these processes

# Consumer Protection: Documents

- Marketing Guidelines (multiple sets)
- Disclosure forms (multiple sets)
- Brochure (multiple sets)
- Contract requirements (multiple sets)
- Indirectly through others
  - Approved Vendor application process
  - Project application/approval process

# Approved Vendor Model

- Firm may not be installer
- Firm may not be interfacing with end-users/customers/hosts
- Firm may be aggregator
- Firm still responsible for each of the above
- Firm also counterparty to underlying REC contract
- Firm could face suspension from program or termination of AV status, which prevents submitting new projects
- Is this model working? Can this model be improved?
  - Big changes may not be wise as program still rolls out
- Any confusion on this model that we could help address?
  - Have heard from consumers re: REC management fees
  - Can we help address any of those concerns?

# ILLINOIS SHINES



- Is branding effective? Useful?
- Is brochure effective?
- Do we need additional foreign language versions for brochure?
- How to put more useful public-facing content on website?
- Development of additional forms and guides?
- Presently developing a solar consumer financing guide
- What other holes currently exist to attain more market access?
  - Experience from other states?
  - Is financing an issue?
  - What can the IPA address?

# Community Solar

## Small Subscriber Requirements

- Limited experience with community solar to date
- Questions around customer acquisition models
  - How to reduce acquisition costs?
  - How to ensure that customers are properly informed?
- Concerns with competing ARES offers?
- Concerns with information for subscription sizing?
- How can we create more consumer-facing community solar content?
  - What's presently missing in the market?
  - Should there be a platform for shopping for offers?
- Other feedback?

# Designee/Third-Party Marketing Behavior

- Process
  - Liability attaching to Approved Vendor
  - Suspensions of Designees—effective?
- Content
  - Lead generation firms
  - Social media advertising generally
  - Use of state/utility/city logos and branding and phrasing
  - Standardization re: incentives and savings estimates
    - Eliminate utility bills—impermissible
    - \$0 utility bills

# Disclosure Forms

- Disclosure Forms
  - Length?
  - Content?
  - Process for Execution?
  - Propriety of large system size?
    - Feel that something is necessary for acknowledgment of program participation
    - Also feel that sale of RECs becomes more acute for large customers
  - Use of FAQs for clarifications on certain items – has this been useful?



# Required Contract Terms

- Attempted to be sensitive to feedback in establishing
- Tried to allow for some flexibility, while ensuring baseline level of consumer protection
- Any that are proving particularly effective?
- Any that are proving particularly problematic?

# Other Stakeholder Topics for Discussion