



July 26, 2021

Anthony Star, Director
Illinois Power Agency
105 W Madison Street, Suite 1401
Chicago, IL 60602

Re: 2021 Long-Term Renewable Resources Procurement Plan Update - Request for Comments #2: Adjustable Block Program and Illinois Solar for All Program

Dear Director Star:

Palmetto Solar LLC (“Palmetto”) appreciates the opportunity to supply the Illinois Power Agency (“Agency”) with written comments prior to releasing the draft of the second Revised Long Term Renewable Resources Procurement Plan (“Long-Term Plan”). Palmetto recognizes that given the present legislative uncertainty, the timing and contents of the draft Long-Term Plan and thus the Adjustable Block Program (“Program”) are subject to change.

I. Ongoing Verification for Waitlisted Projects

During workshop two, the Agency sought feedback on the materials that should be required in order to maintain a project’s current waitlisted position. The Agency cited Section 6.3.3.1.1 of the Revised Long-Term Plan which required waitlisted community solar projects to provide proof of site control as an example of such a requirement¹. Palmetto recommends the Agency defer placing additional requirements on currently waitlisted Small DG projects. Any retroactive requirements, particularly those that require an Approved Vendor or Designee to re-engage a waitlisted customer and solicit additional information can create uncertainty in the marketplace while placing undue burden on applicants.

Waitlisted customers and Small DG developers are presently attempting to navigate significant policy risk in the State. Between pending energy legislation, a challenge to an Illinois Commerce Commission (“ICC”) decision on net metering in Ameren territory², and an active net metering proceeding in ComEd territory³ future market conditions are far from certain. The anxiety and uncertainty presently felt by applicants and Small DG developers would only be exacerbated by amending a secured waitlist position to a conditional one dependent upon additional project information being provided by the applicant. This would also likely lead to additional market confusion as approved vendors and designees solicit information from applicants without any

¹<https://illinoisabp.com/2020/08/24/update-on-waitlisted-abp-community-solar-projects-site-control-documentation-and-land-use-permit-review/>

² <https://www.icc.illinois.gov/docket/P2020-0738/documents/308301>

³ <https://www.icc.illinois.gov/docket/P2021-0196/documents>

substantive guidance on the Program's future or their likelihood to receive an incentive. In addition, an applicant supplying the Agency with supplemental information does not guarantee that the project will be completed. Requiring additional project information would simply provide the Agency with the proportion of waitlisted customers that responded, not necessarily the proportion of waitlisted customers that will have a project energized.

To the extent the Agency still decides to proceed with ongoing verification for waitlisted customers, these requirements should be differentiated by project category. The materials a rooftop solar customer or their developer have access to and are readily able to provide vary greatly from that of large DG or community solar projects. In addition, any documents or materials required should not be requested from applicants until after the pending energy legislation is codified. This allows applicants, developers and other stakeholders to have a more reasonable expectation of a project's likelihood to secure an incentive payment and limits confusion in the marketplace associated with imposing new requirements on applicants while the Program's future is uncertain.

II. Collateral Requirements for Sub- 10kW Facilities

Palmetto continues to support the ability for Approved Vendors to have a "limited window" equal to that of the energization deadline to replace a project that fails to energize without forfeiture of collateral. At present, Small DG contractors can be subjected to tens of thousands of dollars per year in forfeited collateral if for any reason throughout the 3-4 month project development lifecycle a project fails to proceed to completion. Contractors have every incentive to exceed customer expectations in order to retain their business, however it remains an inherent characteristic of our sector that some customers will not proceed through the entire project development lifecycle.

Forfeiture of collateral under the Program has become a significant "soft cost" to solar in the State and if left unaddressed will result in unnecessarily high solar prices, counteracting other soft cost reductions. Small DG developers already experience significant losses for each cancelled project as a function of employee time spent and the services provided. By the time an approved vendor posts collateral for a project, resources have already been spent on lead generation, consultation, project design, site survey, final engineering, permitting and interconnection. In addition to the associated costs listed above, contractors are being charged hundreds of dollars per project anytime energization is not achieved even if the cause is out of our control entirely (ie. house put on the market, HOA denial, roof damage, electrical or transformer upgrade required, etc.).

This proposal was first raised by the Joint Solar Parties during the 2020 revised REC contract development process⁴. It is our understanding that the Agency felt the Long-Term Plan process as opposed to the revised REC contract development process was the more appropriate venue for this provision to be considered. Therefore, even though comments were not directly solicited

⁴ See JSP Proposed Edits to Section 2.4(d) dated Sept. 18, 2020.
<https://illinoisabp.com/wp-content/uploads/2020/09/JSP-Comments-on-Second-Draft-REC-Contract-9.18.20.pdf>



on this provision we hope to continue engaging with the Agency throughout the Long-Term Plan process on this topic.

III. Conclusion

We appreciate the Agency's engagement and attention to detail to ensure responsible solar procurement across Illinois. While these comments are narrow in scope we look forward to collaborating with the Agency in the future on strategies to improve the Program. Illinois can remain on the leading edge of solar deployment in the Midwest with continued leadership at the State level. We look forward to continued collaboration and participation in this important Program.

Respectfully submitted,

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