



2021 Long-Term Renewable Resources Procurement Plan Update

REQUEST FOR COMMENTS #2: ADJUSTABLE BLOCK PROGRAM AND ILLINOIS SOLAR FOR ALL PROGRAM

July 9, 2021

The Illinois Power Agency (“IPA” or “Agency”) is issuing this Request for Comments #2 to solicit stakeholder feedback as the Agency prepares to release the draft of the second Revised Long-Term Renewable Resources Procurement Plan (“Long-Term Plan”).¹ This Request for Comments covers topics discussed at the IPA’s July 7, 2021 virtual stakeholder workshop addressing issues related to the Adjustable Block Program and the Illinois Solar for All Program.

A recording of the workshop and the presentation slides can be accessed at:
<https://www2.illinois.gov/sites/ipa/Pages/RenewableResourcesWorkshops.aspx>.

Additionally, Workshop 3 will be held virtually on July 13, 2021 (Community Solar and REC Pricing). The agenda and registration information can be found at the link above. A third Request for Comments will be issued following Workshop 3 and will be posted on the IPA website.

Workshop 1 was held on June 25, 2021 and provided an overview of pending legislation, the Long-Term Plan update process, updates on the RPS budget, utility-scale and brownfield site procurements, and discussions related to strengthening equity, diversity, and labor standards in the renewable energy industry. The presentation from that workshop, along with the recording and a Requests for Comments for that workshop, can also be found at the link above.

Based on Workshop 2 and initial feedback received, the Agency is specifically interested in gathering information on the questions listed below, but stakeholders are welcome to provide comments on any topic discussed at or relevant to the workshop. Stakeholders should feel free to provide answers only on those questions specifically of interest to them. Stakeholders are encouraged to review the workshop presentation slides and recording to gain context for the questions asked below.

After the Agency has released a draft Revised Long-Term Plan, stakeholders will have an opportunity to provide comments on that draft during a 45-day comment period. The Agency will then revise the draft Plan to account for those comments and file it with the Illinois Commerce Commission to initiate a docketed Plan approval proceeding. Stakeholder input can be provided during that proceeding through formal intervention and filings.

¹ The Agency is scheduled to release its next draft Revised Long-Term Plan on August 16, 2021. It is anticipated that this deadline will be adjusted if omnibus energy legislation is enacted.

How to Respond

Please submit responses to this Request for Comments #2 by July 23, 2021 by e-mail to IPA.contactus@illinois.gov with the subject line “Request for Comments #2 – [Respondent Name]”. Responses will be posted on the Illinois Power Agency website, with respondent names included.

The IPA understands that parties may be reluctant to disclose commercially sensitive information, particularly financial information about projects or business models, as part of a public comment process. To accommodate those disclosures, parties may designate portions of their responses as confidential; if doing so, please provide both a public and redacted version, along with a request for confidential treatment. You may only designate portions of your comments as confidential, not the entire document.

Questions for Stakeholder Feedback

Adjustable Block Program

Slide 10: Block Structure

1. What changes should be considered to block structures?
 - a. If legislation does not establish an annual block structure, what are appropriate future block sizes and REC price changes between blocks?
 - b. Should additional Groups to increase geographic granularity be considered?
 - c. For Large DG, should there be additional division of blocks by project size?
2. What ongoing verification should be required for projects to maintain waitlist positions?

Slide 12: Industry Structure and Business Models

3. Does the current Approved Vendor/Designee model appropriately address the roles and responsibilities of types of firms involved in solar projects? What alternative approaches could the IPA consider?

Slide 13: Project Financing Models and Program Requirements

4. Should the Program provide increased differentiation of application requirements for projects based on that project’s financing model (Purchase, Lease, PPA)? If so, why and how?
 - a. Should program requirements vary between Residential/Non-residential projects? If so, why and how?
 - b. Should disclosure forms better reflect information most applicable to each system’s financing model? If so, what information on disclosure forms should be modified?
 - c. Should REC pricing vary by financing model (including if/how REC payments are passed through to end-use customer)? If so, why and how?

Slide 14: Project Application Requirements

5. What project application requirements should the Agency consider streamlining, and how?
6. What additional information for project applications should be required?
7. Should improvements be made to handle changes in system design between initial application (Part I) and energization (Part II)? How can system design changes be most effectively communicated to customers?

Slide 16: System Design Standards and Consumer Disclosure

8. If the Agency adds additional disclosure requirements for non-optimally designed systems, what are appropriate triggers by category (e.g., capacity factor, panel azimuth, shading) and appropriate thresholds for requiring disclosure?
9. Non-optimally designed systems generally feature lower capacity factors and thus lower REC payments compared to a more-optimally designed system.
 - a. How should this be disclosed/conveyed to customers?
 - b. What else should be conveyed to the customer? For instance, should disclosure be required that a customer may receive decreased net metering benefits associated with reduced system production?

Slide 17: Consumer Protections

10. Should customer satisfaction surveys or other proactive means of gauging customer understanding/satisfaction be considered? If so, what questions would be most helpful to ask customers?
11. What other tools should be considered to help ensure that Illinois residents and businesses are properly served by the solar marketplace?

Slide 20: Consumer Education/Program Information

12. Has the Illinois Shines branding (and dedicated website) for the Adjustable Block Program been helpful for consumers? If so, how and why?
13. What additional educational resources could the program develop to aid consumers?
14. What additional reporting/analysis of program data would benefit consumers and other program participants?

Illinois Solar for All

Slide 24: Low-Income Distributed Generation Sub-Program

1. What barriers are impeding participation?
 - a. Would adjusting REC prices be sufficient, or do other barriers still need to be addressed?
 - b. Given the program's complexity, how can we streamline application requirements while maintaining consumer protections and other baseline heightened participation standards given the more lucrative ILSFA REC prices?
 - c. What soft costs for Approved Vendor/Designees can be reduced, and how?
 - d. What are the challenges related to marketing to and identifying customers?
 - e. How does not allowing for upfront payments from customers impact the customer acquisition process, either positively or negatively?
 - f. How can we increase Approved Vendor participation outside of the Chicago area?

Slide 25: Non-Profit/Public Facilities Sub-Program

2. Several projects have been structured as PPAs with an ownership buyout option after six years. How should Approved Vendor obligations for projects (e.g., ongoing O&M) carryover when system ownership changes?
3. Current REC prices are based on adjustment from Adjustable Block Program REC prices to assume projects do not receive the Federal Investment Tax Credit. Is there a better approach to calibrating REC prices for Non-profit/Public Facility projects?
4. Projects are required to be a) in a low-income or environmental justice community and b) associated with a critical service provider. Can these requirements be refined to better ensure that projects serve and benefit low-income Illinois residents?

Slides 26/27: Low-Income Community Solar Sub-Program

5. What challenges have initially been observed related to recruitment of low-income subscribers?
6. Have you observed market confusion with community-solar projects participating in the Adjustable Block Program? If so, how?
7. What changes in approach, if any, should the program consider making to encourage smaller community solar projects (e.g., under 1 MW)?
8. Is the model of 100% low-income subscriber owned community solar projects viable? If so, what adjustments could be made to increase applications from such projects?

Slide 28: Additional Sub-Programs

9. The IPA Act allows stakeholders to propose additional sub-programs. Should this be an opportunity to test/pilot additional program approaches to support solar for low-income customers? If so, and keeping in mind that REC delivery contracts offering payment for renewable energy credit production are the only available tool for meeting those ends, what pilot or additional programs should be introduced, and to serve what specific policy objectives?

Slide 29: Project Selection Process

10. What additional measures could potentially be included in project selection to encourage participation by MWBE (minority/woman-owned business enterprises) Approved Vendors, non-Approved Vendor contractors and subcontractors, and other MWBE entities?
11. The Project Selection Protocol this year includes points for geographic regions. Are there further refinements that could be made to encourage statewide geographic diversity of projects?
12. What other criteria should be considered in the Project Selection Protocol Process, and what other policy objectives merit consideration?

Slide 30: Job Training Requirements

13. What challenges have Approved Vendors found in meeting the Job Training requirements?
14. What clarifications or refinements to the requirements should be considered?
15. How can the Illinois Solar for All Program better coordinate with job training programs?

Slide 31: Grassroots Education

16. How can we increase Illinois Solar for All customer participation stemming from grassroots education efforts?
17. What adjustments could be considered to allow for smoother coordination efforts between grassroots education and Approved Vendors that don't compromise the educational goals of the program (e.g., ensuring competitive neutrality by grassroots educators not marketing offers from specific Approved Vendors)?