

**COMMENTS OF COMMONWEALTH EDISON COMPANY
ILLINOIS ADJUSTABLE BLOCK PROGRAM
PV SYSTEM DISCLOSURE FORMS**

Commonwealth Edison Company (“ComEd”) submits these comments on the Illinois Power Agency’s (“IPA”) Draft Illinois Adjustable Block Program PV System Power Purchase Agreement Disclosure Form (“PV PPA Disclosure Form”), PV System Purchase Disclosure Form (“PV Purchase Disclosure Form”), and PV System Lease Disclosure Form (“PV Lease Disclosure Form”) (collectively, the “PV Disclosure Forms”).

I. PV PPA DISCLOSURE FORM

As noted in the draft PV PPA Disclosure Form, the retail customer “will not own the PV system” under a power purchase agreement (“PPA”). PV PPA Disclosure Form at 2. Thus, the disclosure form needs to be modified to advise retail customers that, since they will not own or operate the PV system, they will not be eligible for net metering credits under applicable Illinois statutes and utility tariffs.

In 2007 the General Assembly amended the Public Utilities Act (“PUA”) to include, among other things, Section 16-107.5, the so-called “net metering” provisions of the PUA (the “Net Metering Statute”); and effective June 1, 2017 Section 16-107.5 was amended by P.A. 99-0906 (the “Future Energy Jobs Act” or “FEJA”). 220 ILCS 5/16-107.5. Section 16-107.5, as originally enacted and as amended by FEJA, defines an “eligible customer” for purposes of the Net Metering Statute as “a retail customer **that owns or operates** a solar, wind, or other eligible renewable electrical generating facility with a rated capacity of not more than 2,000 kilowatts that is located on the customer's premises and is intended primarily to offset the customer's own electrical requirements.” 220 ILCS 5/16-107.5(b)(emphasis added). While FEJA added an exception to this requirement for what is commonly referred to as “community solar” projects

(220 ILCS 5/16-107.5(l)), that exception does not apply to individual customers that allow the placement of a PV system on his or her premises under a PV PPA.¹ Consequently, a retail customer entering into a PV PPA will not be eligible to receive energy credits under the law. ComEd's Illinois Commerce Commission ("ICC") approved tariffs incorporate these same requirements:

For a retail customer to be considered for service hereunder, the retail customer **must own or operate** solar, wind, or other electric generating facilities powered by solar electric energy, wind, dedicated crops grown for electricity generation, agricultural residues, untreated and unadulterated wood waste, landscape trimmings, livestock manure, anaerobic digestion of livestock or food processing waste, fuel cells or microturbines powered by renewable fuels, or hydroelectric energy, provided such generating facilities (a) have a total rated capacity that does not exceed 2,000 kW, (b) are located on the retail customer's premises, and (c) are intended to offset the retail customer's electric power and energy requirements.

Rider POGNM - Parallel Operation of Retail Customer Generating Facilities with Net Metering, ILL. C.C. No. 10, 3rd Revised Sheet No. 294 (Canceling 2nd Revised Sheet No. 294).

Page 2 of the PV PPA Disclosure Form² mentions certain tax consequences of not owning a PV system, as follows:

Because you will not own the PV system, you are not eligible to take the federal income tax credit for PV system owners; however, entering into a PPA may have tax implications for you. You should consult a tax professional to understand any tax consequences that may result.

¹ Projects eligible for the exception are "(A) properties owned or leased by multiple customers that contribute to the operation of an eligible renewable electrical generating facility through an ownership or leasehold interest of at least 200 watts in such facility, such as a community-owned wind project, a community-owned biomass project, a community-owned solar project, or a community methane digester processing livestock waste from multiple sources, provided that the facility is also located within the utility's service territory; (B) individual units, apartments, or properties located in a single building that are owned or leased by multiple customers and collectively served by a common eligible renewable electrical generating facility, such as an office or apartment building, a shopping center or strip mall served by photovoltaic panels on the roof; and (C) subscriptions to community renewable generation projects." 220 ILCS 5/16-107.5(l)(A)-(C).

² ComEd notes that the reference to "lease agreement" in the second paragraph on page 2 of the PV PPA Disclosure Form appears to be a typographical or word processing error and should be revised to "PPA" instead.

PV PPA Disclosure Form at 2. This is an appropriate location to include the following disclosure: “Similarly, because you will not own or operate the PV system with a PPA PV system, you are not eligible to obtain energy credits under Illinois law and your utility’s tariffs.”

Page 6 of the PV PPA Disclosure Form contains “Net Metering” disclosures as follows:

*Net metering allows you to get credit from your energy supplier for electricity generated by the PV system you host. Your electricity bill will reflect the amount of electricity supplied to you, minus the excess electricity generated by the system and delivered to the grid. You are eligible to participate in net metering if you own or operate an eligible PV system less than or equal to 2,000kW (AC-rated) for your own use. To participate in net metering, an application for net metering must be submitted to your energy supplier. Energy suppliers doing business in the State of Illinois are required to provide net metering for eligible solar customers. Net metering is subject to change or termination by executive, legislative, or regulatory action, which may impact the rate and terms under which you are credited.

PV PPA Disclosure Form at 6. As explained above, retail customers electing to enter into a PV PPA will not be eligible to receive net metering credits because they will not own or operate the PV system. This paragraph should be deleted or modified as follows:

~~*Net metering allows you to get credit from your energy supplier for electricity generated by the PV system you host. Your electricity bill will reflect the amount of electricity supplied to you, minus the excess electricity generated by the system and delivered to the grid. You are not eligible to participate in net metering unless if you own or operate an eligible PV system less than or equal to 2,000kW (AC-rated) for your own use. You will not own or operate a PV system with a PPA, so you will not be eligible for net metering credits. To participate in net metering, an application for net metering must be submitted to your energy supplier. Energy suppliers doing business in the State of Illinois are required to provide net metering for eligible solar customers. Net metering is subject to change or termination by executive, legislative, or regulatory action, which may impact the rate and terms under which you are credited.~~

II. THE PV DISCLOSURE FORMS SHOULD PROVIDE FOR DISCLOSURE OF THE LEVELIZED COST OF ELECTRICITY

A significant and important feature of the PV Disclosure Forms is their disclosure of information to retail customers regarding the net costs of the PV system over the term of the contract/lease or life of the system (e.g., deposits, payments, interest, incentives/rebates,

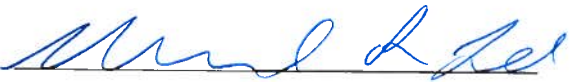
escalation rates, fees, expected life of the system, and expected electricity production), including the presentation of certain information on a per kilowatt hour (“kWh”) basis. ComEd supports such disclosures, but the disclosure forms do not contain an easy to use benchmark or guide for the overall net costs of the PV system on a kWh basis. ComEd submits that it is critical that customers receive disclosure of an easy to understand estimate of the expected costs of their PV system over its life stated on a cents per kWh basis to serve as a common basis to compare the costs of electricity from various sources or participation types (e.g. community solar, ownership, leasing or power purchase agreements). The Illinois Commerce Commission has recently required similar disclosures for alternative retail electric suppliers in Part 412 of the Commission’s rules. 83 Ill. Adm. Code § 412.115(b)(6) (Uniform Disclosure Statement to include “Total Price with Other Monthly Charges: If the price includes a fixed monthly charge that does not change with the customer's usage, and the fixed monthly charge does not include all supply and delivery service charges, the UDS shall display the total price in cents per kWh at sample usage levels of 500, 1,000 and 1,500 kWh.”).

Thus, ComEd proposes that the PV Disclosure Forms provide for disclosure of a cents per kWh cost of the PV system using a standardized discount rate (such as the monthly average yields of 30-year U.S. Treasury bonds) for any net present value calculations. The general formula for this disclosure would be the following:

$$\left(\frac{\textit{Present Value of Total Cost of Participation or Ownership (\$)}}{\textit{System Production Over Participation or Ownership Period (kWh)}} \right) \div 100$$

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Respectfully submitted,
COMMONWEALTH EDISON COMPANY

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