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Illinois Municipal Electric Agency Comments on the
Illinois Power Agency Draft Adjustable Block Program PV System
Power Purchase Agreement Disclosure Form

The Illinois Municipal Electric Agency (IMEA) is a municipal joint action agency and unit of local government comprised of 32 municipal electric systems from across Illinois. Each of those communities owns and operates its own electric distribution system. Some operate local power generation plants. IMEA sells its municipal members all their wholesale power needs under long-term power supply contracts. Municipal power providers operate on a not-for-profit basis and are governed by locally elected governing bodies. IMEA appreciates the opportunity to file comments to the Illinois Power Agency (IPA) and the Adjustable Block Program (ABP) Administrator in response to the release of its draft ABP PV System Lease Disclosure Form, dated October 3, 2018. We respectfully submit the following comments.

Three different ways for customers to contract for a PV system (Page 1)

The fourth paragraph of the introduction details three different ways for customers to contract for a PV system. Municipal systems are full requirements providers of electric service and are governed by locally elected bodies making decisions on behalf of their citizens and member-elected boards of directors and electric cooperatives are responsible for adopting policies governing the business of a cooperative. This includes requirements related to ownership of PV systems and their interconnection to the distribution system. In order to avoid possible consumer confusion, we would recommend the following change:

> There are different ways for customers to contract for a PV system. Customers may buy a system (system purchase), lease a system (lease), or contract to buy electricity generated by a system (power purchase agreement). * Under a system purchase, the customer pays for and owns the system. Under a lease arrangement, a customer enters into a service contract to pay scheduled, pre-determined payments to a solar leasing company, which owns the system on the customer's property. Under a power purchase agreement, a customer agrees to host a system and to buy electricity generated from it at a per-kilowatt-hour-rate from a company that owns the system. The type of contract you enter into will impact the economics of your solar decision.

*Not all options may be available in territories served by municipal owned utilities or electric cooperatives.

System Design Specifications (Page 6)

The asterisk comment of this section refers to a system being connected to the "grid". The "grid" is typically understood to mean the regional transmission system. PV Systems of the size eligible for the ABP are not typically connected to the regional transmission system, whether or not they are part of the

ABP. They are connected at the distribution system level of the local utility, which is, in turn, ultimately interconnected with the transmission system. As municipal utilities, our communities own and operate their local distribution systems, and our distribution systems are interconnected to the transmission system or in most cases the wholesale distribution system of the adjoining investor owned utility. Electricity produced on our side of the interconnection is referred to as "behind the meter" and does not typically flow beyond our distribution systems to the grid, but rather is consumed on our systems. The term "grid" in your disclosure form could lead to confusion as to whether the PV System is delivering electricity directly to the "grid" through the distribution system or being consumed "behind the meter". Therefore, for purposes of consistency with the statute (20 ILCS 3855/1-75(c)(1)(L)(ii) and (iii)), we would recommend the following change:

> **Because your system may be participating in the Illinois Adjustable Block Program, your system will be interconnected to the distribution system level behind the grid. Your electric utility remains responsible for the delivery of electric power and energy to your premises and will continue to respond to any service calls and emergencies. A distribution level connected PV system will not function in the case of an electricity outage unless you have an accompanying electricity storage system and the ability to "island" (disconnect from the distribution system level behind the grid).*

Net Metering (Page 6)

As you note in your Long-Term Renewable Resources Procurement Plan, municipal utilities and rural electric cooperatives are not regulated by the state (Section 7.4). Rather, municipal utilities are regulated at a local level by their municipal governing body and rural electric cooperatives are controlled by their consumer members. As such, we recommend the following change:

> *Net metering allows you to get credit from your energy supplier for electricity generated by your leased PV system. Your electricity bill will reflect the amount of electricity supplied to you, minus the excess electricity generated by the leased system and delivered to the distribution system level grid. If your system is in an investor owned utility territory, you are eligible to participate in net metering if you own or operate an eligible PV system less than or equal to 2,000 kW (AC-rated) for your own use. If you live in a municipal utility or rural electric cooperative territory, you will need to contact your provider to learn the details of their net metering policy. To participate in net metering, an application for net metering must be submitted to your energy supplier. Investor owned utilities ~~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.

Thank you for consideration of these comments.

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