



Illinois Municipal Electric Agency Comments on the
Illinois Power Agency Draft Adjustable Block Program Distributed Generation PV Brochure Text

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.

When deciding to install solar at your home or business, what are your financing and ownership options?

The second item on Page 2 details three different ways for customers to contract for a PV system. We would recommend two changes. First, provide the same background detail on buying the system, leasing or signing a PPA that IPA provides in their Disclosure Forms. This is to ensure customers clearly understand the distinctive differences between the three options. Second, municipal electric utilities 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 consumer confusion and potentially inaccurate information, we would recommend the following changes:

When deciding to install solar at your home or business, what are your financing and ownership options?

You can get a PV system at your home or business by buying the system, leasing it, or signing a Power Purchase Agreement (“PPA”). * 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. If you lease or sign a PPA, you don’t own the system, but you get many of the benefits. For more information on these options, see <https://www.cesa.org/resource-library/resource/a-homeowners-guide-to-solar-financing-leases-loans-and-ppas>. Here are some things to think about when signing a PV purchase contract, lease contract, or PPA:

- If you're buying the system, how much will you have to pay to have it installed? Will you take out a loan to pay for the system? What are the terms of the loan and how do those loan payments compare to reductions in your monthly electric bill?
- If you're leasing the system, how much is your monthly lease payment? How does that payment compare to reductions in your monthly electric bill? Do you have to pay any money down at the start?
- If you're signing a PPA, how much is the per kilowatt hour (kWh) price you will pay for the energy produced by the panels? Do you have to pay any money down at the start?
- Does your lease contract or PPA include an *escalation clause*, which increases the amount of the payments over time? If so, by how much does the payment increase?

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

Thank you for consideration of these comments.

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IMEA