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InClime, Inc. - Program Administrator

Comments on Draft Program Guidebook

CSG thanks the IPA and InClime for the opportunity to comment on the Draft Program Guidebook for the ABI. We appreciate the time and effort that has gone into developing this program and look forward to continue to act as a stakeholder in this process.

The main purpose and focus of our comments is to address the balance between seting robust program requirements and minimizing the administrative burden on system owners, solar installers, solar developers, approved vendors, the program administrator, and the IPA. The long duration of contracts and the front loading of payments necessitates a fair amount diligence by the Program Administration. Also, the structure of contracts and the collateral required provides strong incentives to developers to submit projects as close to the actual projected REC production as possible. This scenario creates a balance point between ensuring only quality systems are submitted and not overburdening all parties involved with administrative work. Many of our comments are focused on adding our perspective on how this balance can best be met.

Additionally there are a few areas that the Draft Guidebook touches on that we would like additional clarity on.

Site Map

CSG understands the a site map will be useful for identifying systems and verifying capacity output. However, requiring the inclusion of all other electrical upgrades including trenching is an extra burden on all parties involved and will create an extra expense for system owners. This is especially true for small system owners. It also does not contribute to verifying the quality of a system in any significant way especially with small systems. Because of this CSG recommends that other electrical upgrades and trenching are not required to be included in the site map for ABP systems.

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Tracking Capacity Factor

The LTRRP states 19.32% as capacity factor for "tracking" systems. It never makes the distinction between single axis and dual axis. Because single axis tracking systems vastly outnumber dual axis tracking systems it was assumed that this capacity factor was to be applied to all tracking systems. This capacity factor should be expanded to include single axis tracking systems or there should be a third standard capacity factor added to accommodate single axis trackers. This is especially important given our comments below on the calculation of custom capacity factors. Without a standard capacity factor every single axis tracker will be required to submit a custom capacity factor.

Custom Capacity Factor Modeling

CSG appreciates the Program Administrators willingness to do a detailed analysis of the production of every system. However, we have concerns about the practical limitations of the Program Administrator remodeling every system using a custom capacity factor that is submitted. This is could potentially take thousands of man hours to recreate. And, the program already has good incentives in place for developers to bid in systems as close to the projected production as possible.

We propose that if a system is using a custom capacity factor that exceeds the standard capacity factor or PVWatts projection (whichever is higher) by more than 10% then the system would have to be remodeled and verified. But, if it is within that range no remodeling is necessary.

Also, if software licenses are required to be provided to the Program Administrator we propose that the fees for the license is split evenly amongst all AV's that submit projects using that software.

AC/DC Ratio

CSG proposes that the AC/DC ratio limit be raised from 150% of AC to 180% of AC.

System Size Variation

There are many many circumstances where a system size will change by more than 5%. The SPV procurement used 25% system size changing effectively. We understand that the IPA wants systems to be submitted as close to the final capacity as possible, but the contract already ensures that. There is no benefit to submitting a larger system, because the system could be placed in a lower REC price category. And if a system is submitted as smaller than its final size it is only paid for the number of RECS on the initial application. In both scenarios the AV is incentivized to submit a system as close as possible to the

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final system size. However, if a system changes by 5.5% due to an unforeseen issue or a higher efficiency module being used a system could potentially lose its REC contract and need to get back in line, even though the system owner and the AV is not benefiting from the change in the system size at all.

Because of this we recommend that the standards from the SPV procurement are used. A system can be changed +/- 25% or +/- 5kW whatever is greater.

System Invoice

The final system invoice seems to be duplicative with the installation contract, standard disclosure, REC contract, and all of the system information already being collected. CSG would prefer that it is not included as required documentation to eliminate some of the administrative work for program participation.

5% for Already Energized Systems

Systems that are installed at the time of initial application to the ABP do not have the same construction risk as systems not yet energized. Also, because of the timing of contracting and payment there is a very short period that the bonding would need be put up by the Approved Vendor on energized systems. Because of this, we would like to ask that systems that are energized at the time of application to the ABP are allowed to use a 5% holdback from their REC payment as the sole initial collateral required.

Extending the 30 Day Period to Pay in 5% Utility Bond

CSG understands the need for ABP contract collateral to be collected quickly after contract signing. It is another measure to ensure that only quality projects bid into the ABP and gives the initial system application some teeth. This is especially important on the highly competitive blocks of large BTM and Community Solar projects.

Large DG and Community Solar projects are developed and owned by companies that have the means to more readily available to cover contract bonding. Smaller projects are often owed by homeowners and small business owners. There is a lot more administrative work that needs to be done after contract signing to collect the required bonding from the larger number of smaller system owners. These smaller size classes also do not have the same oversupply issues that larger systems have. Because of the lower risk of speculative systems being submitted and to better accommodate the extra administrative work needed for small systems CSG asks that systems under 25kW are given 60 days to pay in collateral on their contracts.

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Existing Systems Existing REC Generation

CSG is very concerned about the inclusion of this language in the draft guidebook:

> "Any RECs that were created prior to contract signing are not part of the contract and will not be transferred to the utility under the contract or purchased by the utility under the contract."

This standard is incongruous with past procurements and does not serve to meet the needs of the program or system owners. Systems that are eligible (energized after June 1st 2017) should be able to deliver all RECS they have generated since energization.

This provision will specifically harm small DG installations. These system owners are early adopters that moved forward anticipating the ABP opening and having a market for their RECS. In many cases this will leave a year of REC production with no viable market. The spot procurements have been eliminated so there is no longer any IL market they are eligible for. These systems are also degraded and have lost the sale of the best year of production.

This also reduces the contract risk on the utilities because some RECS will be delivered immediately after contract signing and system history will be known.

For these reasons CSG asks for the language above to be removed from the Guidebook.

DG Co-Location Clarification

There are many buildings in Illinois where a landlord owns a building occupied by multiple tenants. Take the example of a three-flat in Chicago. One landlord owns and pays the utility bill for all three units. The landlord lives in unit 1 and rents out Unit 2 and Unit 3 to two seperate families. Each of the units has its own utility meter. The landlord wishes to build three separate solar arrays. Each array will meet all of the ABP requirements and each will be interconnected by a different utility meter. However, the utility account will be in the same name on all three arrays and all three arrays will have the same street address.

For this circumstance CSG would like to ask for the following distinction to be added to the DG co-location language. Multiple arrays may be located on the same building and counted as separate systems if each is serving a separate tenant's load and each system meets all ABP program requirements as a stand alone system.

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Site Control Clarification

Could the IPA please elaborate on what constitutes site control for DG systems where the system owner and the system host are the same entity.

Part 1 and 2 System Inputs

CSG is in the process of collecting system information in anticipation of the opening of the ABP. To help CSG and all other AV's get proper system information gathered can the IPA or the Program Administrator release all of the fields that will be required in the portal for both part 1 and part 2 of the application. I.e. system owner phone number, system owner email address, system host phone number, etc.

Comment on the Final DG Marketing Guidelines - Existing Projects Brochure and Standard Disclosure

CSG would like to ask for clarification on section 22 in the Final DG Marketing Material Guidelines. The guidelines state that November 26th, 2018 is the last date that systems can retroactively sign Standard Disclosure Forms and Brochures.

These forms and the Brochure are not yet available, so CSG is unsure how to handle systems energized and contracted between the 26th and the date these are available.

Also, the Guidelines state systems that were energized before the 26th. CSG asks this to be modified to also include systems that were contracted, but not yet energized before the 26th.

Thank you for your consideration of our comments.

Sincerely,

Dylan DeBiasi