

# Adjustable Block Program Guidebook

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## Section 1: Adjustable Block Program Description

A complete description of the Adjustable Block Program (“ABP” or “Program”) can be found in the Illinois Power Agency’s (“Agency”) Long-Term Renewable Resources Procurement Plan (“Plan”; <http://illinoisabp.com/wp-content/uploads/2018/08/Long-Term-Renewable-Resources-Procurement-Plan-8-6-18.pdf>). This Section of this Guidebook contains a summary of the Program designed for quick reference; subsequent sections elaborate on various aspects of the Program, including further guidelines not found in the Plan. A Glossary in Section 8 of this Guidebook provides a description of key terms used throughout.

The ABP provides incentives for the development of new photovoltaic distributed generation (“DG”) and community solar projects located in Illinois. These incentives are provided through payments made for the Renewable Energy Credits (“RECs”) generated by participating projects over their first 15 years of operation. These payments are made through contracts between Illinois electric utilities and Approved Vendors (as described below).

This Guidebook describes the structure of the Program through the end of 2019. In the summer of 2019, the Illinois Power Agency will be updating, as needed, the Long-Term Renewable Resources Procurement Plan (subject to approval by the Illinois Commerce Commission in the latter months of 2019), with any changes taking effect in 2020, and issues addressed within this Guidebook may be subject to change based on changes made to the Plan.

The ABP is administered pursuant to Section 1-75(c) of the IPA Act (20 ILCS 3855), as updated by Public Act 99-0906 (colloquially known as the Future Energy Jobs Act). The Illinois Power Agency is the state agency responsible for the Program’s implementation. Day to day administration of the program is the responsibility of the Agency’s Program Administrator, InClimate, Inc.

In addition to the approval of the Agency’s Plan, many other aspects of photovoltaic development and installation in Illinois are under the jurisdiction of the Illinois Commerce Commission. These include the certification of distributed generation installers, interconnection standards, net metering tariffs, and tariffs allowing for a smart inverter rebate for non-residential PV systems.

### Block Structure

The core of the Adjustable Block Program is the concept of a “block.” A block constitutes a pre-established amount of program capacity available for a certain project type at a transparent, administratively set REC price or prices, with prices differing slightly depending on project attributes. Blocks are intended to create a progression from one price level to another based on the response of the market. A strong response from the market will result in a rapid progression to a lower price level, for example, while a weak response could elicit an increase in incentives if necessary to facilitate market growth.

The initial goal for the Adjustable Block program is for participating systems to be delivering 1,000,000 RECs annually by the end of the 2020-2021 delivery year (i.e., May 31, 2021). Based on a standard capacity factor, this entails 666 MW of new photovoltaic generation. To achieve that goal, the

Program's block structure was originally designed such that entirely filling three blocks per project category (see below for a description of the three categories) with new photovoltaic projects should result in meeting the program goal of 1 million RECs per year by the end of 2020-2021. However, under the Commission's April 3, 2018 Order approving the Plan, the Agency was required to withhold 25% of program capacity (taken entirely from Block 3) for discretionary allocation; consequently, a fourth block from one or multiple program categories will be required to meet this goal.

In future years, if demand in any given category is stronger than anticipated (and, significantly, if funding available through utilities' RPS rider collections), additional blocks could be opened to accommodate that demand. (Likewise, if demand is lower in a category, a block may remain open longer than initially planned.) The block size, structure, and prices will be reviewed and updated as needed as part of the Plan update process occurring in 2019 (to take effect in calendar year 2020), and the Agency tentatively plans to allocate only capacity sufficient to meet the 1,000,000 REC requirement prior to updating its Plan.

Blocks are allocated into two groups by service territory/geographic category:

- Group A: for projects located in the service territories of Ameren Illinois, MidAmerican, Mt. Carmel Public Utility, and rural electric cooperatives and municipal utilities located in MISO.
- Group B: for projects located in the service territories of ComEd, and rural electric cooperatives and municipal utilities located in PJM.

Based on load forecasts, 30% of Program capacity is allocated to Group A and 70% of Program capacity is allocated to Group B.

Within each Group, the blocks are divided by the following Categories:

- 25% of program capacity for DG PV systems up to 10 kW (Small systems)
- 25% for DG PV systems greater than 10 kW and up to 2,000 kW (Large systems)
- 25% for photovoltaic community renewable generation projects (Community Solar)

As discussed above, the remaining 25% is left to the Agency's discretion and will be held in reserve. The Agency intends to allocate this capacity as soon as practicable after evaluating applications received in the initial weeks of the Program's launch. Prior to allocation, the Agency will first assess the available Renewable Resources Budget (accounting for commitments made from the competitive Forward Procurements for RECs from utility-scale wind, utility-scale solar, and brownfield site solar, and the funding limitations created by the end of the RPS budget roll-over period that concludes with the 2020-2021 delivery year), demand in the various Groups/categories, any unexpected barriers to participation, or other factors related to creating a robust and diverse portfolio of projects.

Consistent with Section 1-10 of the IPA Act, all system sizes in the Adjustable Block Program are measured in maximum continuous AC as measured at the inverter.

## Transition Between Blocks

**Please note that due to high expected initial demand for the ABP, lotteries for community solar and the large DG categories are likely. The lottery procedures (described further below) will take precedence over the transition process described in the following paragraphs.**

Generally speaking, upon or shortly after, a block's capacity becoming filled, the next block for that category will open at a price expected to be 4% lower than the previous block. However, as described in a section below, if initial category interest is greater than 200% of Block 1 capacity, then a lottery process may be conducted to select the recipients of REC delivery contracts.

For each Group/category, 14 calendar days after Block 1 opens, project applications received will thus be assessed to determine if the aggregate MW nameplate capacity of those projects is greater than 200% of the Block 1 capacity for that Group/category. The program website will show a dashboard of the capacity of applications received, reviewed, and approved during that 14-day period.

If less than 100% of Block 1 capacity for a Group/category has been filled by 14 calendar days after applications open, Block 1 will be held open until 45 calendar days after opening, or until Block 1 is filled, whichever comes last. In other words, if Block 1 is filled after more than 14 days but before 45 days, the block will be held open until 45 total days has elapsed. If Block 1 is not filled within 45 days after opening, the Agency will continue to hold Block 1 open; the Agency will then announce whenever Block 1's capacity allocation is met that Block 1 for the Group/category is full and that it will be held open for an additional 14 calendar days of applications before officially closing.

Any projects submitted into that Group/category after Block 1 closes will be held for approval in Block 2 for that Group/category. The size available in Block 2 in this case will be impacted by the amount previously allocated to Block 1. (For example, if 110% of Block 1 was actually allocated, 90% of Block 2 will be available via the 45-day process described in the paragraph immediately above.) Subsequently, any projects submitted into a Block 2 Group/category after Block 2 has closed will be held for approval in Block 3, and the size available for Block 3 via the 45-day process will be reduced accordingly if the total amount actually allocated to Blocks 1 and 2 exceeds 100% of the planned capacity of Block 1 plus Block 2.

Each of Blocks 2 and 3 similarly would be held open until the later of (i) 45 calendar days after opening, or (ii) when the block is filled (in which case the block would be held open for an additional 14 additional calendar days after it is filled).<sup>1</sup>

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<sup>1</sup> Please note that holding Blocks open is still subject to overall Group/category capacity outlined in the table below, which may limit the overall amount of capacity available to be allocated to any projects submitted within the 45 period. As stated in the Long-Term Renewable Resources Procurement Plan (p. 100), any additional program capacity beyond the originally envisioned 666 MW depends on the availability of program funding. The Commission's Order in Docket No. 17-0838 requires that 25% of that 666 MW capacity be withheld for allocation as discretionary capacity, leaving the remainder as the Block 1-3 amounts. If funding constraints are anticipated, then overall capacity available across a 45 day block opening period must still be subject to the original limitation of that Group/category's portion of 666 MW of capacity.

If the capacity of applications in a Group/category received in the first 14 days is at least 100% and under 200% of Block 1 capacity (subject to a review of applications), then all of those projects will receive Block 1 pricing, and Block 1 for that Group/category will be considered closed. Block 2 will open for the next projects received, with those projects receiving Block 2 pricing. The capacity available in Block 2 in this case will be impacted by the amount allocated to Block 1. For example, if 130% of planned Block 1 capacity is allocated to Block 1, then 70% of planned Block 2 capacity will be allocated to Block 2. The 45-day clock for Block 2 would then start on the date when the Agency opens Block 2. If the capacity of applications received in the first 14 days is *exactly* 200% of Block 1, then both Blocks 1 and 2 for that Group/category will be considered closed, and Block 3 would then open with the 45-day clock.

Applications for a Group/category combination that do not engage in an initial lottery will be allocated on a first-come, first-served basis until Block 3 is filled. Order will be based on the date a complete application is submitted. Applications submitted in excess of the total capacity of Blocks 1-3 will be ordered and placed on a waitlist pending allocation of discretionary capacity, any potential allocation of additional funds, or removal from the program of previously accepted projects.

The table below shows the amount of nameplate capacity (in MW) that will be initially allocated to each block for each group and category. As discussed above, the final amount for each block may change to accommodate the soft closing process described above. As a further example, if the initial demand for the Group A, Small DG category in the first 45 days is 30 MW, the final amount of allocated capacity in Block 1 would be 30 MW, and the next block (Block 2) would open with 14 MW of expected capacity available. However, if Group A, Large DG category only had 10 MW of demand in the first 45 days, it would remain open until its 22 MW of capacity were filled (subject to any adjustments in the final 14 days), and then the next 22 MW block for the Group A, Large category would open.

<b>Block Group</b>	<b>Block Category</b>	<b>Block 1</b>	<b>Block 2</b>	<b>Block 3<sup>2</sup></b>
Group A (Ameren Illinois, MidAmerican, Mt. Carmel, Rural Electric Cooperatives and Municipal Utilities located in MISO)	Small DG	22	22	5.5
	Large DG	22	22	5.5
	Community Solar	22	22	5.5
Group B (ComEd, and Rural Electric Cooperatives and Municipal Utilities located in PJM)	Small DG	52	52	13
	Large DG	52	52	13
	Community Solar	52	52	13
<b>Total</b>		<b>222</b>	<b>222</b>	<b>55.5</b>

These totals leave the Agency with 166.5 MW of discretionary capacity to allocate across the various Group/category combinations for completing the program's first phase (i.e., to meet the initial 2020-2021 goals of 1,000,000 RECs delivered annually through the Adjustable Block Program).

<sup>2</sup> As discussed above, Block 3 volumes have been decreased for consistency with the Commission's Order in Docket No. 17-0838 requiring that the 25% of discretionary capacity be held in reserve. See Docket No. 17-0838, Final Order dated April 3, 2018 at 60.

Subject to the conditions outlined above, a project will receive the price of the block that is open at the time the project application is submitted. If a block closes while a project application is being reviewed and the project is not accepted, the capacity associated with that rejected project will be assigned to the next block.

Should a system in a given block fail to be developed, that system's portion of the block will be forfeited. The volume associated with the forfeited system will be added to the block that is currently open at the price for that block.

The public will be notified of the availability of capacity in each Block via an online dashboard at [www.illinoisabp.com](http://www.illinoisabp.com).

### **Lottery Procedure**

*The following procedure applies to the initial opening of any of the three Adjustable Block Program project categories for each of Group A and Group B: Small DG of up to 10 kW; Large DG from over 10 kW up to 2,000 kW; and Community Solar up to 2,000 kW. Each of the six Group/category combinations (e.g. Group A Community Solar, Group B Large DG) will be treated separately for consideration of whether to hold a lottery and how the lottery would be conducted.*

*Block 1 capacity is 22 MW<sup>3</sup> for categories in Group A and 52 MW for categories in Group B. (Therefore 200% of Block 1 capacity is 44 MW for categories in Group A and 104 MW for categories in Group B.) Block 2 capacity is the same as Block 1. Block 3 capacity is 5.5 MW for categories in Group A and 13 MW for categories in Group B. Project size is measured in MW as determined by inverter capacity.*

*A flowchart of the lottery process is included at the end of this document.*

#### **A. Determination for holding a lottery**

1. For each Group/category, 14 calendar days after Block 1 opens, project applications received will be assessed to determine if the aggregate MW nameplate capacity of those projects is greater than 200% of the Block 1 capacity for that Group/category. The program website will show a dashboard of the capacity of applications received, reviewed, and approved during that 14-day period. For purposes of assessing when a project application was received (applicable to this Section A or Section C of this Lottery Procedure), the date/time stamp of the batch submission in the application portal will be used, and confirmation will be required that an application fee was initiated within the initial 14 day lottery window.
2. If the MW capacity of applications received in the first 14 days is less than or equal to 200% of the Block 1 capacity, there will not be a lottery for that Group/category.
  - a. If the capacity of applications received in the first 14 days is at least 100% and under 200% of Block 1 capacity (subject to a review of applications similar to that described in Paragraph A.3 below), then all of those projects will receive Block 1 pricing, and Block 1

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<sup>3</sup> Consistent with Section 1-10 of the IPA Act's definition of "nameplate capacity" and as reflected in Section 6.3.1 of the IPA's Long-Term Renewable Resources Procurement Plan, block capacity designations refer to the aggregate nameplate capacity of participating systems measured in AC.

for that Group/category will be considered closed. Upon that determination, Block 2 will open for the next set of projects received through new applications, with those projects receiving Block 2 pricing until Block 2 is filled. The capacity available in Block 2 in this case will be impacted by the amount allocated to Block 1. For example, if 130% of planned Block 1 capacity is allocated to Block 1, then 70% of planned Block 2 capacity will be allocated to Block 2. Valid project applications received in the interim period between the end of the initial 14-day application period and the opening of Block 2 will receive Block 2 pricing and will also reduce the available size of Block 2. Paragraph C.4 below would apply for Block 2, with the 45-day clock starting on the date when the Agency opens Block 2.

- b. If the capacity of applications received in the first 14 days comprises less than 100% of Block 1 capacity, see Section C.2.
  - c. If the capacity of applications received in the first 14 days is *exactly* 200% of Block 1, then both Blocks 1 and 2 for that Group/category will be considered closed (with all such projects receiving Block 1 pricing), and Block 3 will then open. Valid project applications received after the end of the initial 14-day application period but before Block 3 opens will receive Block 3 pricing and will also reduce the available size of Block 3. Paragraph C.4 below would then apply for Block 3.
3. If the aggregate MW capacity of applications received in the first 14 days is greater than 200% of Block 1 capacity, then a preliminary notice of a Block 1 lottery will be issued for that Group/category. The Program Administrator will review applications for accuracy and completeness within approximately 21 days of receipt. Projects will be allowed 14 days to correct/cure deficiencies from the date of notice of any deficiency. Projects that fail to cure deficiencies or which are otherwise non-compliant will not be included in the lottery. Approval of an application is not a guarantee of selection of the project; it only authorizes the project to proceed in the process towards participating in the Block 1 lottery. An Approved Vendor will have an opportunity to withdraw a project from consideration for a lottery within a reasonable time before the date of the lottery, with the Program Administrator determining the reasonableness of that withdrawal date.
  4. Should the aggregate MW capacity of valid applications fall to, or below, 200% of Block 1 capacity after the review of project applications described in Paragraph A.3, then the Block 1 lottery will not be held and the process in Paragraph A.2 above will be followed. Should the aggregate MW capacity of valid applications fall below 100% of Block 1 capacity, the provisions under Section C.2 will be followed for filling Block 1.
  5. If a Block 1 lottery is conducted for a Group/category, the Agency will endeavor to conduct the lottery within approximately 49 calendar days after Block 1's opening date (the initial 14 days of project applications, 21 days for Program Administrator review, and 14 days for the curing of deficiencies). While the Agency will endeavor to conduct the lottery within this timeframe, this period may be extended, and is likely to be extended should a Block 1 lottery for Small DG projects be required. While the Agency plans to hold any required lotteries on the same day, final scheduling will depend upon the time needed to properly review project applications and may result in lotteries being held on more than one date.

## **B. Lottery Process**

1. The Block 1 lottery for any Group/category combination, if needed, will be held at a public location announced by the Agency, and the selection of projects will be conducted using an algorithm that is open for review by interested parties. Each project participating in the Block 1 lottery will be identified by a name provided by the Approved Vendor. For all Large DG and Community Solar Block 1 lottery participants, the project name, the project size, the physical address, the Approved Vendor name, any small subscriber commitment status, any voluntarily provided utility interconnection queue id number, and the random ordinal number assigned to the project through the lottery will be made public. For small DG projects, the published address will consist only of the city and zip code.
2. For community solar categories only, there will be two rounds of Block 1 lottery selection conducted for each Group: the first round, for projects that commit to securing small subscribers ( $\leq 25\text{kW}$ ) for at least 50% of a project's energy output; and the second, for all other projects plus those first-round-eligible projects not selected in the first round. The first round will be for 100% of the Group's Block 1 capacity. If less than 100% of the Group's Block 1 capacity makes a small subscriber commitment, then all projects making that commitment would be selected and the balance of the first-round capacity would be added to the second round for that Group. (For example, if project applications comprising 70% of the Group's Block 1 capacity have a small subscriber commitment, all of those projects would be assigned to Block 1, and a second-round lottery would be held for 130% of Block 1 capacity.)
3. Through the Block 1 lottery, each project within a Group/category will be assigned a random number indicating its ordinal rank within that Group/category. The selection of projects will be made by taking projects in order from the lowest number to the highest number. In the event that the last project selected in a Group/category would exceed the capacity allocated to the lottery (200% of Block 1 for DG, 100% of Block 1 for each round of community solar), that project would be approved in its entirety.
4. All projects selected in the Block 1 lottery will receive the applicable Block 1 pricing.
5. Following the Block 1 lottery for a Group/category, Block 2 will be deemed to have been filled. If the capacity of the remaining unselected projects in a Group/category is less than or equal to the capacity of the applicable Block 3, then remaining projects will be automatically placed in Block 3 at the applicable Block 3 pricing. Block 3 will then remain open until filled as described in the Plan. (However, if Block 3 is completely filled at that point, then Block 3 would be considered closed.) Paragraph C.4 below would apply for filling the remaining portion of that Block 3. For example, for a Group B category, if 2 MW of Block 3 is automatically filled via the Block 1 lottery, 11 MW of Block 3 will remain to be filled. The 45-day clock for Block 3 will be considered to begin on the date when the Agency opens Block 3.
6. Following the Block 1 lottery, if the capacity of the remaining unselected projects in a Group/category exceed the capacity of the applicable Block 3, then projects will be automatically selected for Block 3 using the ranking from the original Block 1 lottery. Selection of projects will be made by taking remaining projects in order starting from the lowest remaining number until Block 3 is filled. These projects would all receive Block 3 pricing. Block 3 would then be considered closed. In the event that the last project selected in a Group/category would exceed the capacity allocated to Block 3, that project would be approved in its entirety.



In the event of a Block 1 lottery for a Group/category, given the drop-off in REC prices between Block 1 and Block 3, some Approved Vendors may not wish to proceed with a project if that project would receive Block 3 pricing. As the Adjustable Block Program is predicated on price transparency and Approved Vendors may have submitted projects into Block 1 on the expectation of Block 1 pricing (possibly even without any expectation of a lottery), the Agency believes Approved Vendors should be allowed to decline a Block 3 award within a short timeframe after selection without additional process or penalty. The Agency thus will allow any project notified that it has received a REC contract with Block 3 pricing as the result of a previous Block's lottery to have 5 business days to decline its selection prior to the underlying contract being forwarded for approval to the Illinois Commerce Commission. The Approved Vendor will be able to exercise this option without any further penalty, process, or the posting of collateral. If a project selected to be in Block 3 declines its selection by this option, then the next ordinarily ranked project(s) on the waitlist will be selected for REC contract(s) at Block 3 pricing until Block 3 is filled, along with the same terms (5 business days to accept or decline). Projects declining a Block 3 contract award will be removed from the lottery order and will be ineligible to receive a contract with Block 4 pricing through the allocation of discretionary capacity. A project may exercise this option to decline a REC contract with Block 3 pricing by communicating as such in writing to the Program Administrator.

7. Projects that remain unselected following the Block 3 allocation will be placed in a rank-ordered waitlist based upon their numbers from the Block 1 lottery. If and when additional capacity for that Group/category is made available by the Agency (through the allocation of discretionary capacity as described below in Section F), or when space becomes available because previously accepted projects are no longer qualified for the Adjustable Block Program, those projects will be given 10 business days to accept or decline their selection. Selected projects would receive Block 4 pricing, which will be 4% less than the published Block 3 pricing. If a project selected to be in Block 4 declines its selection, then next project(s) in line in the waitlist would be selected along the same terms (10 business days to accept or decline) and this process repeated as needed until the available capacity is filled.
8. Projects must remain in the interconnection queue (i.e., maintain a valid interconnection agreement with the applicable utility) in order to maintain their place on the waitlist. Exceptions will be made for projects which are forced from the utility interconnection queue due to the utility's queue management process (such as being forced to pay a potentially nonrefundable deposit to remain in the queue), but may only be selected upon a demonstration that a) the project did not voluntarily exit the queue and b) the project has reapplied for interconnection with the utility.

**C. Ordering of Projects That Do Not Participate in a Lottery**

1. Projects that do not participate in the Block 1 lottery and apply later after the initial 14-day period will be placed in Block 3 if there is any capacity remaining in Block 3. If Block 3 is also filled, they will be placed at the end of the waitlist after any unselected projects from the Block 1 lottery, based upon the time when their complete application was submitted. If and when additional capacity for that Group/category is made available by the Agency, and these projects are ultimately selected from the waitlist, they will receive Block 4 pricing.

2. If less than 100% of Block 1 capacity for a Group/category has been filled following the first 14 calendar days of applications, Block 1 will be held open until 45 calendar days after opening, or until Block 1 is filled, whichever comes last. In other words, if Block 1 is filled after more than 14 days but before 45 days, the block will be held open until 45 total days has elapsed. If Block 1 is not filled within 45 days after opening, the Agency will continue to hold Block 1 open; the Agency will then announce whenever Block 1's capacity allocation is met that Block 1 for the Group/category is full and that it will be held open for an additional 14 calendar days of applications before officially closing. The relevant Block will be deemed filled when at least 100% of the Block's capacity as determined by the aggregate size of projects has been submitted.
3. Under Paragraph C.2 above, any projects submitted into that Group/category after Block 1 closes will be held for approval in Block 2 for that Group/category. Similar to Paragraph A.2, the MW capacity available in Block 2 in this case will be impacted by the amount previously allocated to Block 1. (For example, if 110% of Block 1 was actually allocated, 90% of Block 2 will be available via the 45-day process described in Paragraph C.4 below.) Subsequently, any projects submitted into the same Group/category after Block 2 has closed will be held for approval in Block 3, and the size available for Block 3 via the 45-day process described in Paragraph C.4 below will be reduced accordingly if the total amount actually allocated to Blocks 1 and 2 exceeds 100% of the planned capacity of Block 1 plus Block 2.
4. Each of Blocks 2 and 3 similarly would be held open until the later of (i) 45 calendar days after opening, or (ii) when that block is filled (in which case the block would be held open for an additional 14 calendar days after the date it is filled).<sup>4</sup> Applications for a Group/category that does not engage in an initial lottery will be allocated on a first-come, first-served basis until Block 3 is filled. Order will be based on the date a complete application is submitted. Applications submitted in excess of the total capacity of Blocks 1-3 will be ordered and placed on a waitlist pending allocation of discretionary capacity, any potential allocation of additional funds, or removal from the program of previously accepted projects.
5. The lottery waitlist is applicable to Blocks 1-3 and any discretionary capacity allocated. At this time, the Agency is not proposing that the lottery waitlist is applicable to capacity allocated as a result of the Plan Update developed by the Agency in 2019,<sup>5</sup> unless the Illinois Commerce

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<sup>4</sup> Please note that holding Blocks open is still subject to overall Group/category capacity outlined in the table above, which may limit the overall amount of capacity available to be allocated to any projects submitted within the 45 period. As stated in the Long-Term Renewable Resources Procurement Plan (p. 100), any additional program capacity beyond the originally envisioned 666 MW depends on the availability of program funding. The Commission's Order in Docket No. 17-0838 requires that 25% of that 666 MW capacity be withheld for allocation as discretionary capacity, leaving the remainder as the Block 1-3 amounts. If funding constraints are anticipated, then overall capacity available across a 45 day block opening period must still be subject to the original limitation of that Group/category's portion of 666 MW of capacity.

<sup>5</sup> Under Section 16-111.5(b)(5)(ii)(B) of the Public Utilities Act (220 ILCS 5), the IPA "shall review, and may revise, the plan at least every 2 years" after its initial publishing and propose any revisions "in conjunction with the Agency's other planning and approval processes" to the extent practicable. The Agency thus plans to revise its Long-Term Renewable Resources Procurement Plan over the summer of 2019, publishing any such revisions in mid-August for public comment and filing a revised Plan with the Commission in late September 2019; any Commission Order approving the Plan Update would likely be issued in December 2019.

Commission Order's approving the Plan Update requires that the waitlist be binding on subsequent project selection processes.

#### **D. Developer Cap**

1. For the purposes of the lottery, any affiliated<sup>6</sup> family of project developers<sup>7</sup> will have a 20% cap on the capacity of REC contract awards for a given Group / Category, determined on a block by block basis. Any affiliated family of project developers which exceeds 20% of the awarded capacity in the initial 200% of Block 1 will have any projects that cause them to exceed the 20% capacity cap moved to become the first projects in Block 3 for that Group/category. Block 3 will then be evaluated separately and any affiliated family of project developers that exceeds 20% of the awarded capacity in Block 3 will have any projects that cause them to exceed the 20% capacity cap be moved to become the first projects in the waitlist. This capacity cap will not be applied at any point after the initial lottery, or for any Group/category that does not hold an initial lottery. In the case of a lottery held for the community solar category with the small subscriber set-aside, the 20% cap evaluation will be applied to the total capacity in Block 1 after both lotteries for 200% of Block 1 capacity are complete.

For example, if a lottery was held in the community solar category and a lottery was needed for those projects that propose to include 50% small subscribers, that lottery would be held without regard to a developer cap. The subsequent lottery for the remaining 50% of capacity in Blocks 1 & 2 combined would be held. At the conclusion of that lottery, assume Developer A held contracts representing 25% of the Block 1 & 2 capacity. Assume that the 5% additional capacity over 20% represented 4 projects. These 4 projects would be moved and projects next in succession would move up until that Block 1 was at 200% of initial volume. The 4 projects would then be reinserted into the ordinal lottery list as the first 4 projects in Block 3. Assume that Developer A then held 40% of the Block 3 capacity and the extra 20% capacity over 20% represented 2 projects. Developer A's last 2 projects in Block 3 would then be moved, projects next in succession from the waitlist would take their place, and the 2 projects would be reinserted into the ordinal list as the first 2 projects on the waitlist. Note that the procedure would be the same if a different Developer B exceeded 20% of Block 3 even if it didn't exceed 20% of Blocks 1 and 2.

2. If application of the 20% cap would result in Block 1 volume falling below 200% of allocated capacity, capped projects will be added back to the block in original lottery order after all projects from other developers not exceeding the 20% cap are allocated capacity.

#### **E. Project-Specific Requirements**

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<sup>6</sup> "Affiliated" means, with respect to any entity, any other entity that, directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with each other or a third entity. "Control" means the possession, directly or indirectly, of the power to direct the management and policies of an entity, whether through the ownership of voting securities, by contract, or otherwise. Affiliates may not have shared sales or revenue-sharing arrangements, or common debt and equity financing arrangements. These definitions are found in Section 7.3.1 of the Long-Term Renewable Resources Procurement Plan.

<sup>7</sup> "Developer" means the entity, or set of affiliated entities if applicable, that, on the date the lottery is held for a particular Group/category, holds the largest equity share of a project. To be clear, the 20% cap applies to an affiliated family of developers as so defined, not to Approved Vendors or installers.

1. The reallocation of contracts between projects (i.e., project substitution) will not be allowed.
2. All projects must be built as submitted in the initial application. All initial applications will require a detailed site diagram showing the locations of the solar panels on the parcel or the roof. For projects that are required to be located in the same section of the parcel as in the initial application (more detail can be found in the section on Part II project submission requirements, later in this Guidebook), photographic documentation of this will be required. If a project does not meet these requirements, it will not be considered eligible to receive REC payments and the Approved Vendor will have the option to resubmit the project. However, the resubmittal will be placed at the end of any waitlists that had previously been established for that Group/category, will be at the price of the Block open at the time, and will require a new application fee. All projects must be developed using the interconnection agreement applicable to the selected project.

#### **F. Discretionary Capacity**

1. Under the Commission's Order in Docket No. 17-0838, the total MW capacity of Blocks 1 through 3 of each Group and category makes up 75% of the Adjustable Block Program capacity required to meet the 2020-2021 delivery year procurement targets. 25% remains for the Agency to allocate at its discretion.
2. The Agency will allocate the remaining 25% of program capacity (approximately 166.5 MW) to various Groups/categories after evaluating the results of the initial program launch to assess the available Renewable Resources Budget (accounting for existing and planned commitments associated with the competitive Forward Procurements for RECs from utility-scale wind, utility-scale solar, and brownfield site solar, DG procurements, the Community Renewable Generation Program Forward Procurement; long-term REC contracts from years before 2017; required set asides for job training, Section 1-75(c)(1)(O) of the IPA Act's funding allocation for the Illinois Solar for All Program, RPS administration, funding limitations created by the end of the budget roll-over period that concludes with the 2020-2021 delivery year), demand in the various Groups/categories, any unexpected barriers to participation, or other factors related to creating a robust and diverse portfolio of projects. To the extent funding is available, the Agency will allocate the remaining capacity to the various Groups/categories as soon as practicable and will endeavor to do so prior to conducting a lottery.
3. Projects selected using discretionary capacity will receive Block 4 pricing.

#### **G. Additional Provisions**

1. Approved Vendors must attest that they have obtained all non-ministerial permits that, according to the commercially reasonable investigation of the Approved Vendor, are necessary to the project at the time of application to the Adjustable Block Program. The Approved Vendor must list all such permits, along with the name, phone, and email of a contact person at the issuing authority. The Program Administrator will verify a random selection of permits and reserves the right to verify any permits that it deems require further investigation.

2. Projects must submit a copy of a binding lease, option, or PPA contract between the Approved Vendor or project developer and the site owner as proof of site control for any project where the project owner is not also the Approved Vendor and the host. In cases where the system owner and host are the same entity, site control can be demonstrated by a statement from the system owner and host that this is the case.
3. All projects awarded a REC contract will be required to post collateral with the utility within 30 business days of the Illinois Commerce Commission approving the contract. Collateral is equal to 5% of the total contract value and may be in the form of cash or a letter of credit. The Approved Vendor's choice to withhold a project's collateral from the first REC payment for that project (or from the only REC payment for small DG projects) may be made only after the project is certified by the Program Administrator as developed and energized. This collateral will be forfeited if the project is not developed and energized within one year of the contract execution date for a distributed generation project, or within 18 months of the contract execution date for Community Solar projects, plus any extensions granted by the Program Administrator.

**REC Pricing**

The following table lists the prices for RECs by each Group, Category, and Block. After Block 3, prices are expected to decline by 4% with each transition to any subsequent blocks if allocated. The Agency will monitor performance during the initial Blocks and may elect to modify the price change between blocks based upon the speed at which each Block is filled.

Block Group	Block Category		Block 1	Block 2	Block 3
Group A (Ameren Illinois, MidAmerican, Mt. Carmel, Rural Electric Cooperatives, and Municipal Utilities located in MISO)	Small DG	≤10 kW	\$85.10	\$81.70	\$78.43
	Large DG	>10 - 25 kW	\$78.70	\$75.55	\$72.53
		>25 - 100 kW	\$64.41	\$61.83	\$59.36
		>100 - 200 kW	\$52.54	\$50.44	\$48.42
		>200 - 500 kW	\$46.85	\$44.98	\$43.18
		>500 - 2,000 kW	\$43.42	\$41.68	\$40.02
	Community Solar	≤10 kW	\$96.12	\$92.28	\$88.58
		>10 - 25 kW	\$87.07	\$83.59	\$80.24
		>25 - 100 kW	\$70.95	\$68.11	\$65.39
		>100 - 200 kW	\$60.47	\$58.05	\$55.73
		>200 - 500 kW	\$55.46	\$53.24	\$51.11
		>500 - 2,000 kW	\$52.28	\$50.19	\$48.18
		Co-located systems exceeding 2 MW in aggregate size	\$47.03	\$45.15	\$43.34
Group B (ComEd, and Rural Electric Cooperatives and Municipal Utilities located in PJM)	Small DG	≤10 kW	\$72.97	\$70.05	\$67.25
	Large DG	>10 - 25 kW	\$73.23	\$70.30	\$67.49
		>25 - 100 kW	\$65.61	\$62.99	\$60.47
		>100 - 200 kW	\$53.75	\$51.60	\$49.54
		>200 - 500 kW	\$48.07	\$46.15	\$44.30
		>500 - 2,000 kW	\$44.64	\$42.85	\$41.14
	Community Solar	≤10 kW	\$91.89	\$88.21	\$84.69
		>10 - 25 kW	\$82.82	\$79.51	\$76.33
		>25 - 100 kW	\$66.65	\$63.98	\$61.42
		>100 - 200 kW	\$56.12	\$53.88	\$51.72
		>200 - 500 kW	\$51.09	\$49.05	\$47.08
		>500 - 2,000 kW	\$47.88	\$45.96	\$44.13
		Co-located systems exceeding 2 MW in aggregate size	\$42.59	\$40.89	\$39.25

### Community Solar

Community solar projects will be provided the following adders based on percentage of small subscribers:

Adder	\$/REC	
	Group A	Group B
Less than 25% small subscriber	No adder	No adder
25% to 50% small subscriber	\$11.17	\$10.88
Over 50% to 75% small subscriber	\$22.34	\$21.77
Greater than 75% small subscriber	\$33.51	\$32.65

The small subscriber adders will be determined based on the percentage of the project's capacity met through small subscribers' subscriptions, and not the overall number of small subscribers. A community solar project will have to demonstrate a level of small subscribers at the time of energization to receive an adder initially; if it does not meet that level by 1 year after energization, the project will lose its small subscriber adder and will also be subject to a 20% penalty on the contract value. Furthermore, the project will have to maintain the small subscriber subscription levels over time or face payment reductions or collateral drawdowns if the level is not maintained, as discussed further in Section 7 of this Guidebook.

A small subscriber is defined as a customer on a residential or small commercial rate class with a subscription of less than 25 kW. Eligible small commercial rate classes for the investor owned utilities are as follows:

- Commonwealth Edison: "watt-hour delivery class" and "small load delivery class"
- Ameren Illinois: "DS-2"
- MidAmerican: "GE", "GD", "GET", "GDT", "GER", and "GDR"

## Section 2: Approved Vendors

Participation in the Adjustable Block Program will take place through Approved Vendors. By having Approved Vendors—i.e., ensuring that any entity receiving a REC delivery contract is registered with and vetted by the Agency, and has met conditions predicate— it will be possible to monitor compliance with program terms and conditions, ensure the accuracy and quality of information submitted, and reduce the administrative burden on the contractual counterparties. This model benefits consumers because they will be able to verify that an entity that proposes to develop a photovoltaic system for them (or sell them a subscription to a community solar project) is a legitimate entity participating in the program. An Approved Vendor that fails to live up to the requirements of the Adjustable Block Program and is a “bad actor” could have a significant negative impact on the entire renewable energy market in Illinois that would extend beyond just its own actions. It is important for the Agency to have the ability to monitor the program and ensure high quality performance by the Approved Vendors.

Approved Vendors will be the entity that is the contractual counterparty with the utility, and thus will be the entity that receives payments from the utility for REC deliveries as contract obligations are met. Approved Vendors are therefore the entities responsible for submitting paperwork to the Program Administrator (as the responsible party for the information contained in that paperwork), maintaining collateral requirements, and provide ongoing information and reporting. As such, the Approved Vendors will have to coordinate the downstream information from installers/developers as well as individual system owners (who may well provide required information through the installer/developer).

There is not a specific delegation of duties between the Approved Vendor, installer/developer, and system owner. The key consideration is that the Approved Vendor is ultimately responsible for the fulfillment of contractual obligations, including any obligations delegated to subcontractors, in a manner consistent with the requirements of this Plan and of the Approved Vendor’s contract with the counterparty utility.

Approved Vendors will have to renew their approval once a year. Failure by an Approved Vendor to follow the requirements of the Adjustable Block Program could result in the entity having the suspension of or losing its status as an Approved Vendor and thus losing the ability to bring new projects in to the Programs. Losing that status would not relieve an Approved Vendor of its obligations to ensure that RECs from its projects that have been energized continue to be delivered to the applicable utility; failure to do so could result in having the vendor’s credit collateral drawn upon.

The following information will be collected from prospective Approved Vendors and evaluated using the criteria listed below. Items in blue type will not be required for distributed generation Single Project Approved Vendors,<sup>8</sup> and the items in green type will only be required for Approved Vendors who wish to act as an Approved Vendor for one or more Community Solar projects.

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<sup>8</sup> A Single Project Approved Vendor has simplified application requirements and a minimum size of 100 kW. See Section 6.9 of the Long-Term Plan for more information.



## **List of information collected in Approved Vendor Application**

### **Vendor Contact Information**

1. Legal Business Entity Name
2. Any Doing Business As (“DBA”) name
3. Address of principal place of business
4. Name, phone number, and email address of primary point of contact responsible for the company’s day-to-day interaction with the Adjustable Block Program
5. Telephone number of company

### **Company Background**

6. Ownership structure, including any affiliated businesses either owned or partially owned by the proposed Approved Vendor or who have ownership of all or part of the Approved Vendor
7. Employer Identification Number (“EIN”)
8. Business Type (Corporation, LLC, LP, LLP, General Partnership, Nonprofit, Sole Proprietor, Other)
9. A listing of shareholders, owners, partners or proprietors with ownership interests in excess of 5% and the amount of their respective ownership interests (Not required for public companies)
10. Business entity home state of registration
11. Other states where entity is registered to do business
12. Business entity date of organization/incorporation in home state
13. Must exist as a legal entity and be authorized to do business in Illinois. Must upload an Illinois Secretary of State statement of good standing dated within the past 12 months if a corporation, LLC, or non-profit. Example in Figure 1.
14. Is the company engaged in installing distributed generation projects in Illinois? If yes, provide proof of Distributed Generation Installer Certification from the Illinois Commerce Commission, in the form of the Commission’s order in the certification docket granting the company’s certificate.
15. Provide a printout of either PJM-GATS or M-RETS aggregator account ownership confirmation.
16. Company website (Parent company website if special purpose entity)

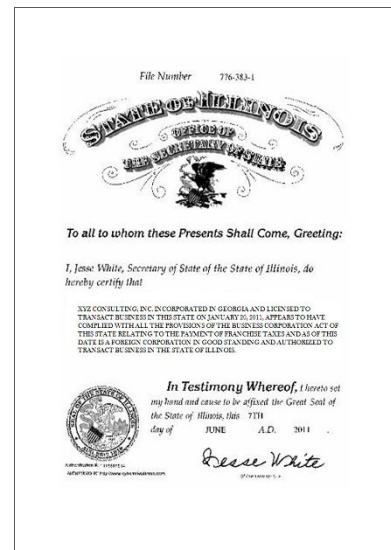


Figure 1- Secretary of State Good Standing

### **Vendor Classification and Project Types**

17. Is this an application for a Single Project Approved Vendor?

18. Is this Approved Vendor an affiliate (as defined in Section 7.3.1 of the Long-Term Renewable Resources Procurement Plan) of any other Approved Vendor or current or intended Approved Vendor applicant? If yes, provide the name(s) of affiliated Approved Vendor or applicant.
19. Are you a minority-owned or female-owned business enterprise as specified in Section 1-75(c)(7) of the Illinois Power Agency Act (20 ILCS 3855) or a small business as defined in the Small Business Advisory Act (20 ILCS 692/5) who would like to be eligible for an initial batch size of 50 kW? [If so, an upload will be provided to provide documentation of that status.]

## Legal and Regulatory Information

A yes answer to any Legal and Regulatory questions will not automatically disqualify a firm from Approved Vendor status. Information provided will be considered in conjunction with all other information in the application to determine an Approved Vendor's eligibility.

20. Within the past five (5) years, has the business; any affiliate of the business that is engaged in operations in the U.S. related to energy; or any current or former owner (not including public shareholders), partner, director, officer, principal, or any person in a position involved in the administration of funds, or currently or formerly having the authority to sign, execute or approve contracts for the business:
  - a. Been sanctioned or proposed for sanction relative to any business or professional permit or license?
  - b. Been under suspension, debarment, voluntary exclusion or determined ineligible under any federal or state statutes?
  - c. Been proposed for suspension or debarment?
  - d. Been the subject of an investigation, whether open or closed, by any government entity for a civil or criminal violation for any business-related conduct?
  - e. Been charged with a misdemeanor or felony, indicted, granted immunity, convicted of a crime, or subject to a judgment or a plea bargain for:
    - i. *Misappropriation of funds or property;*
    - ii. *A criminal act that reflects adversely on the individual's honesty;*
    - iii. *Actual loss to the company or other person; or*
    - iv. *Dishonesty, fraud, deceit, or misrepresentation.*

Note: The above does not include minor misdemeanors like speeding or parking tickets and does not include actions taken by former employees after leaving the employ of your company.

- f. Been suspended, cancelled, terminated or found non-responsible on any contract, or had a surety called upon to complete an awarded contract?

For any Yes answers, provide an explanation of the issue(s), relevant dates, the entity involved, any remedial or corrective action(s) taken, and the current status of the issue(s).

21. Within the past five (5) years, has the proposed Approved Vendor or any of its affiliates that are or were engaged in operations in the U.S. related to energy had any judgments filed against it which remain undischarged? If yes, provide an explanation of the issue(s), relevant dates, the Claimant's name, the amount of the judgment, and the current status of the issue(s).
22. Within the last seven (7) years, has the proposed Approved Vendor or any of its affiliates initiated or been the subject of any bankruptcy proceedings, whether or not closed, or is any bankruptcy proceeding pending? If so, provide the Bankruptcy Code chapter number, the court name, and the docket number. Indicate the current status of the proceedings as "initiated," "pending," or "closed".
23. Within the last seven (7) years, has any owner with greater than 15% ownership or principal of the proposed Approved Vendor or any of its affiliates been the owner or a principal (with greater than 15% ownership) in a company subject to any bankruptcy proceedings, whether or not closed, or that is currently in any bankruptcy proceeding pending? If so, provide the Bankruptcy Code chapter number, the court name, and the docket number. Indicate the current status of the proceedings as "initiated," "pending," or "closed".
24. During the past five (5) years, has the proposed Approved Vendor or any of its affiliates failed to file a tax return or fully pay taxes according to deadlines required by federal, state, or local laws in the amount of \$10,000 or more? If yes, provide the taxing jurisdiction, the type of tax, the liability year(s), the tax liability amount the proposed Approved Vendor failed to file/pay, and the current status of the tax liability.
25. During the past five (5) years, has the proposed Approved Vendor or any of its affiliates that are or were engaged in operations in the U.S. related to energy been audited by any government entity resulting in a negative audit finding or requirement for remedial action? If yes, provide an explanation of the issue(s) under investigation, relevant dates, the government entity involved, any remedial or corrective action(s) taken, and the current status of the issue(s).
26. During the past five (5) years, has the proposed Approved Vendor or any of its affiliates that are or were engaged in operations in the U.S. related to energy been the subject of any judgment or settlement as the result of by any public consumer protection authority (including but not limited to a federal/state/local attorney general's office, consumer protection bureau, or other consumer protection entity) in any jurisdiction? If yes, provide any remedial or corrective actions(s) taken and current status of the issue(s).
27. During the past five (5) years, has the proposed Approved Vendor or any of its affiliates that are engaged in operations in the U.S. related to energy been the subject of any unresolved Better Business Bureau complaints in any jurisdiction? If yes, provide any remedial or corrective actions(s) taken and current status of the issue(s).
28. During the past five (5) years, has the proposed Approved Vendor or any of its affiliates that are or were engaged in operations in the U.S. related to energy been the subject of any judgment or settlement as the result of lawsuits filed in a court of law or formal complaints filed with a regulatory agency alleging fraud, deception or unfair marketing practices, or other similar allegations? If yes, please identify the name, case number, and jurisdiction of each such lawsuit or complaint, any remedial or corrective action(s) taken, and the current status of the lawsuit or complaint.

29. During the past five (5) years, has the proposed Approved Vendor or its affiliates that are or were engaged in operations in the U.S. related to energy been suspended from participation or denied the ability to participate in a government or utility administered renewable energy incentive program? If yes, provide the name of the program and jurisdiction, an explanation of the issue(s), and the current status of the issue(s).

### **Additional Questions Not Used for Qualification**

30. The utility service territory or territories in which the Approved Vendor seeks to operate (ComEd, Ameren Illinois, MidAmerican, municipal utility/rural electric co-operatives).
31. Type of Approved Vendor (may select more than one): DG Installer, Community Solar Project Developer, SREC broker/aggregator, non-profit, other.
32. Do you intend to participate in the Illinois Solar for All program?
33. Do you consent to be contacted by representatives from solar job training programs in Illinois?
34. Do you have corporate hiring policies in place which prohibit the hiring of individuals who have been convicted of a crime?

### **Attestation – Approved Vendor will e-sign the following attestation**

I declare that:

- a. I am the owner (for sole proprietorship), partner (for partnership) or the authorized agent (for corporation, LLC, or non-profit) of the proposed Approved Vendor;
- b. The information provided on this form is true and correct to the best of my knowledge;
- c. I agree to participate in registration and any initial or recurrent required training.
- d. I agree to abide by the ongoing Program terms and conditions.
- e. I agree to maintain registration to do business in Illinois.
- f. I agree to provide updated information to the Administrator on any complaints, lawsuits, legal or regulatory action, bankruptcy, or any other material adverse changes in business condition when it becomes available.
- g. I agree to provide samples of marketing materials or content used by our company, or our subcontractors/installers and affiliates, to the Program Administrator for review upon initial qualification as an Approved Vendor. In addition, I will provide copies of any marketing material related to the sale, financing, or installation of solar photovoltaic systems that will apply to participate in the Adjustable Block Program, or related to the Adjustable Block Program itself, whenever requested by the IPA or Program Administrator. I furthermore agree to make changes to marketing materials requested by the IPA or Program Administrator in their efforts to ensure that such materials are not deceptive, confusing, or misleading, and to further ensure that such materials do not feature misrepresentations about our relationship to the Illinois Power Agency or the Adjustable Block Program.
- h. I agree to comply with all consumer protection guidelines published by the Program Administrator and acknowledge that a failure to do so may jeopardize my ability to serve as an Approved Vendor in the program.

- i. I agree to provide and maintain credit and collateral requirements pursuant to Section 6.16.1 of the Long-Term Renewable Resources Procurement Plan.
- j. I agree to complete annual reports by the report deadline, disclosing names and other information on installers and projects, and documenting that all installers and other subcontractors comply with applicable local, state, and federal laws and regulations including ICC registration as Distributed Generation Installers, providing current status of unfinished projects and credits generated and delivered by completed projects, and any other annual report requirements as determined by the Administrator.
- k. I agree to comply with all community solar subscriber reporting requirements including providing updated and accurate subscriber data.
- l. As required by Section 1-75(c)(1)(7) of the Illinois Power Agency Act (20 ILCS 3855), I agree that any photovoltaic projects submitted for program approval were or will be installed by a qualified person in compliance with Section 16-128A of the Public Utilities Act (220 ILCS 5) and any rules or regulations adopted thereunder, including Title 83, Section 468.20 of the Illinois Administrative Code.
- m. I agree to provide company financial statements and/or project references upon request of the Program Administrator.
- n. I will comply with all other Program rules and Administrator requests.
- o. If any requirements are implemented by the Illinois Power Agency or Program Administrator that I am unable to comply with, I agree to immediately request to withdraw my qualification to act as an Approved Vendor for any projects not already under contract with the utilities and cease all new Approved Vendor activities.

I attest that the statements above are true and correct.

Type Name

(automatically stamped with username, time and IP address)

## Evaluation Criteria

1. Must demonstrate existence as a legal entity and authorization to do business in Illinois.
2. Neither the business or its affiliates that are or were engaged in operations in the U.S. related to energy, the business's principals or owners (except public shareholders), nor any business in which the current business's owners or principals were or are associated with can have:
  - a. Been sanctioned or proposed for sanction relative to any business or professional permit or license.
  - b. Been under suspension, debarment, voluntary exclusion or determined ineligible under any federal or state statutes.
  - c. Been proposed for suspension or debarment.
  - d. Been the subject of an investigation, whether open or closed, by any government entity for a civil or criminal violation for any business-related conduct.
  - e. Been charged with a misdemeanor or felony, indicted, granted immunity, convicted of a crime, or subject to a judgment or a plea bargain for:
    - i. Any business-related activity; or
    - ii. Any crime the underlying conduct of which was related to truthfulness.
  - f. Been suspended, cancelled, terminated or found non-responsible on any contract, or had a surety called upon to complete an awarded contract.

Unless an explanation acceptable to the Administrator and IPA is provided.

3. Must not have had any judgments filed against it in the past 5 years which remain undischarged, unless an explanation acceptable to the Administrator and IPA is provided.
4. If the company or any of its affiliates or any principal or owner with greater than 15% ownership has initiated or been the subject of any bankruptcy proceedings (including for a different company where the same individual person had at least 15% ownership), whether or not closed, or has any bankruptcy proceeding pending, the Administrator and IPA will determine if the potential Approved Vendor is a risk for default on future Approved Vendor contracts. This decision will be based on the totality of the information provided including current financial statements, the circumstances of past bankruptcies, the time since the last bankruptcy, the role of the individual involved in the past bankruptcy, recent tax payment history, and any recent or pending judgements or investigations that might impact the company's financial standing.
5. The company must be current on all required taxes, based on local, state, and federal law. Past non-payment of taxes over \$10,000 will be considered in conjunction with other factors in determining an Approved Vendor's eligibility.
6. Any issues found during any governmental audits during the past 5 years will be considered in conjunction with other factors in determining an Approved Vendor's eligibility. The mere fact that an audit was conducted with no negative results will not reflect negatively on the Approved Vendor's application.
7. Any regulatory or consumer complaints and their remedial actions will be screened by the Approved Vendor and IPA to determine if there is a pattern of violations or unresolved

consumer protection issues with the company. The frequency and severity of the past issues, as well as the Approved Vendor's explanations of resolution and any processes put in place to prevent reoccurrence will be taken into account.

8. Approved Vendors will be provided the option to request confidential treatment of specific sections of their application based on exemptions listed in 5 ILCS 140 (Illinois Freedom of Information Act). Such requests may be submitted by email or mail on company letterhead and must list the exemption claimed and the reasoning behind the claim.
9. The company must demonstrate either PJM-GATS or M-RETS aggregator account ownership.
10. Additional information collected such as number of employees, type of company, management structure, etc. will be used by the Administrator to more thoroughly evaluate the applicant if there are any questions that arise from other parts of the Approved Vendor application.
11. The company must provide an initial representative sample of marketing materials for each channel of marketing the company is engaged in, as part of the initial Approved Vendor application (for example, but not meant to be an exhaustive list: print, website, direct mail, direct email, web ads, social media, radio, telemarketing, billboards). Random audits of marketing material will be conducted regularly, and the IPA and Program Administrator also reserve the right to require a copy of all marketing materials should they have concerns about an Approved Vendor's marketing practices.
12. The IPA and the Program Administrator reserve the right to conditionally approve applications from prospective Approved Vendors that have areas of concern. A conditional approval will require six month updates rather than the normal 1 year updates of the approved vendor application.

## **Appeal Procedure**

The Administrator will review and make approval decisions for all Approved Vendor applications. It is the responsibility of the Approved Vendor to respond to any questions or requests for additional information from the Administrator within 2 weeks of receiving such a request. Failure to respond to requests from the Administrator will constitute grounds for rejection as an Approved Vendor. Any Approved Vendor applications that are rejected will be provided a written explanation with the reasons for the rejection. The applicant will have 2 weeks to appeal the rejection in writing on company letterhead conveyed by email or postal mail. The IPA will review all appeals and will be the final authority for granting or rejecting an appeal.

## **Confidentiality**

Except where otherwise provided (such as with certain project-specific information being made publicly available through publishing lottery results), Approved Vendor submittals including quarterly reports, annual reports, Approved Vendor applications, and project applications will not be publicly posted or made publicly available as a matter of course - provide that nothing included herein shall a) prohibit the IPA from reporting information taken from Approved Vendor submittals to appropriate authorities should the IPA have reasonable suspicion of any fraudulent or otherwise illegal behavior, b) prevent the IPA from making aggregated information taken from across Approved Vendor submittals publicly available, or c) prevent the IPA from sharing information

received with the Illinois Commerce Commission or public utilities to support the Program's operation.

Additionally, the IPA and the Program Administrator will provide confidential treatment to any commercially sensitive information submitted by Approved Vendors in connection with participation in the Adjustable Block Program. Under Section 1-120 of the IPA Act (20 ILCS 3855), the Illinois Power Agency has a statutory obligation to "provide adequate protection for confidential and proprietary information furnished, delivered, or filed" by any third party. As Section 7(1)(g) of the Illinois Freedom of Information Act ("FOIA") (5 ILCS 140/7) exempts from disclosure "[t]rade secrets and commercial or financial information obtained from a person or business where the trade secrets or commercial or financial information are furnished under a claim that they are proprietary, privileged or confidential, and that disclosure of the trade secrets or commercial or financial information would cause competitive harm to the person or business," the IPA believes that its responsibility under Section 1-120 necessitates the assertion of this FOIA exemption when applicable in response to a FOIA request, and to otherwise protect the confidentiality of commercially sensitive information in response to any discovery request or other request made in connection with formal investigation or litigation.<sup>9</sup> While the IPA will presume that submittals including quarterly reports, annual reports, Approved Vendor applications, and project applications are commercially sensitive (to the extent not reflecting public information, or otherwise obviously not commercially sensitive) and thus should be actively protected from disclosure, Approved Vendors will have the opportunity within the application portal to designate project information as "proprietary, privileged, or confidential, the disclosure of which would cause competitive harm" and should otherwise similarly designate any other particularly sensitive information to maximize the likelihood that such information would be protected from disclosure by a reviewing body (such as a reviewing court or the state's Public Access Counselor) in response to an appeal of the Agency's determination that such information should not be disclosed in response to a FOIA request.

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<sup>9</sup> It may, however, publish non-confidential information deemed subject to disclosure under the Freedom of Information Act to ensure that all parties – and not merely requesting parties under FOIA – have access to any such disclosures.



### Section 3: Marketing Guidelines and Consumer Protections

Marketing Guidelines for DG projects and Community Solar projects can be found at:

<http://illinoisabp.com/marketing-guidelines-marketing-materials-stakeholder-process/>

Marketing Guidelines will be updated, as needed, on an ongoing basis. Notifications will be sent to all Approved Vendors on any changes to these guidelines including any dates related to implementation of changes.

#### Illinois Shines

The IPA and its Program Administrator have chosen “Illinois Shines” as the public-facing name and brand for the Adjustable Block Program. Public-facing documents produced in connection with the Adjustable Block Program will use the “Illinois Shines” brand and logo, and the website [www.illinoisshines.com](http://www.illinoisshines.com) will host public-facing program content.

The term “Adjustable Block Program” will be used in conjunction with Approved Vendors and program management and administration.

For more information on the Illinois Shines brand name please consult the following document:

<http://illinoisshines.com/wp-content/uploads/2018/12/Illinois-Shines-branding.pdf>

#### Violation of Consumer Protections, Marketing Guidelines, or other Program Requirements

In the event that the Program Administrator identifies that it believes an Approved Vendor is not acting or has not acted in compliance with program requirements, the Program Administrator will notify the Approved Vendor through an e-mail that outlines the problematic behavior, explains how the behavior is non-compliant with program requirements, and may request more information about the issue. After a review of any such response, the Program Administrator will determine what discipline, if any, should apply to the Approved Vendor. The Program Administrator will also provide a copy of the determination to the IPA.

The Program Administrator’s determinations of discipline may be appealed to the IPA, and the opportunity to appeal (as well as a deadline by when such appeal should be made) will be communicated by the Program Administrator as part of its determination of discipline. To appeal to the IPA, an Approved Vendor should provide to the IPA a request for reconsideration of discipline in writing on company letterhead explaining its rationale for why it believes the Program Administrator’s determination is in error as well as sharing any supporting information, documents, or communications. The IPA may request additional information and materials from the Approved Vendor, and/or seek to schedule a call or informal discussion with the Approved Vendor to learn more about the basis for the Approved Vendor’s position. The IPA will endeavor to issue final determinations on

discipline, including a supporting rationale for its decision, as soon as practicable after the receipt of an appeal and review of relevant information.

## Section 4: System Eligibility

### System Location

All systems must be entirely physically located in Illinois and interconnected to the distribution level electrical grid of an Illinois investor owned electric utility, rural electric cooperative, or municipal electric system. Off-grid systems are not eligible for the Adjustable Block Program. All Distributed Generation systems must be located on the customer side of the customer's electric meter and primarily used to offset that customer's electricity load.

Systems must be built at the location specified in the Part I application. Systems must remain at the approved location for the duration of the 15-year contract and may not be relocated.

### Interconnection Date

All systems must have a final interconnection approval (or equivalent from rural electric cooperative or municipal electric utility) date on or after June 1, 2017.

### Installer Requirements

System installations must meet the following requirements in order to participate in the Adjustable Block Program. These requirements are not waivable for any system, including systems built after June 1, 2017, but before program launch.

1. A system must be installed by a company with current Distributed Generation Installer certification from the Illinois Commerce Commission.  
(<https://www.icc.illinois.gov/Electricity/authorities/DistributedGenerationCertification.aspx>).
2. A system must be installed by a qualified person(s). The following definitions of "qualified person" and the term "install", as taken from Title 83, Part 468 of the Illinois Administrative Code, will be used to evaluate compliance with this requirement:

**"Qualified person"** means a person who performs installations on behalf of the certificate holder and who has either satisfactorily completed at least five installations of a specific distributed generation technology or has completed at least one of the following programs requiring lab or field work and received a certification of satisfactory completion: an apprenticeship as a journeyman electrician from a DOL registered electrical apprenticeship and training program; a North American Board of Certified Energy Practitioners (NABCEP) distributed generation technology certification program; an Underwriters Laboratories (UL) distributed generation technology certification program; an Electronics Technicians Association (ETA) distributed generation technology certification program; or an Associate in Applied Science degree from an Illinois Community College Board approved community college program in the appropriate distributed generation technology. To be considered a "qualified person", the experience and/or training relied upon must be with the same type of distributed generation technology for which the qualification status is sought.

**"Install"** means to complete the electrical wiring and connections necessary to interconnect the

new solar project with the electric utility's distribution system at the point of interconnection between the project and the utility. "Install" in this Part specifically does not mean:

- Electrical wiring and connections to interconnect the new solar project performed by utility workers on the utility's distribution system;
- Electrical wiring and connections internal to the new solar project performed by the manufacturer;
- Tasks not associated with electrical interconnection of the new solar project and the utility, including those relating to planning and project management performed by individuals such as an inspector, management planner, consultant, project designer, contractor, or supervisor for the project or their employees.

### Expansions

An expansion to an energized system that is already under an ABP contract must be independently metered (with a separate GATS or M-RETS ID) and will be issued a new contract independent from the contract of the original system. The expansion must comply with all program rules in effect at the time the expansion application is submitted. Expansions are subject to the following additional requirements:

1. The expansion will only be compensated up to the maximum 2 MW size limit when added to the original system at that location. For example, if a location already has a 1.9 MW system at that location and a 200 KW system is added, a new contract will only be granted for the estimated production of a 100 KW system.
2. If an expansion would move the total system size from the small DG category into the large DG category, and that category is operating on a waitlist, the expansion would be added to the waitlist in the same manner as a new system in that category while the existing system continues to receive REC payments under the previously contracted terms.
3. The expansion price will be adjusted to take into account the current block price at the size of the combined system minus the price paid to the original system. For example, a 10 kW system in Block 1 Group A initially received \$85.10/REC with an estimate that it would produce 100 RECs over the contract period, for a total of \$8,510. A 10 kW addition is planned once the small DG and large DG categories in Group A have moved to Block 2. Because the new system with this addition would total 20 kW, the total system size is now in the >10-25 kW size category; for Block 2, Group A, that price is \$75.55/REC. Assuming the expansion would also produce 100 RECs over the contract life, a calculation must be performed as if the system were a 20 kW system at the current block price. This value would be  $200 \text{ RECS} * \$75.55/\text{REC} = \$15,110$ . The previous payment of \$8,510 must be subtracted from this value, leaving a total contractual payment of \$6,600 for the new expansion. There will be no pro-rating of the time the original system was in operation when making this calculation. The contract term for the original system will remain the same, and the contract term for the expansion will be 15 years from the date the expansion commenced operation.
4. If an expansion is made to an existing system that is not part of the Adjustable Block Program and only the expansion is applying to the Program, then the system size used to determine REC price will be solely the expansion size.

**Co-location of DG projects**

The total capacity of distributed generation systems enrolled in the Adjustable Block Program at a customer's location will be considered a single system. (For example, three 100 kW systems at a single location will be considered a 300 kW system.) For purposes of determining the system's REC price, a system's location is considered to be a single building (regardless of the number of utility accounts at the location) for rooftop installations, and a single property parcel for ground-mounted systems (if a property had both rooftop and ground-mounted systems, it will be considered a single system). Additionally, systems located on multiple different rooftops on the same parcel will be considered a single system if each system is owned by the same entity or its affiliates.

If two or more projects on one parcel are separately owned and serve to offset the load of separate entities, then in order to have these arrays considered as separate projects, an Approved Vendor must provide proof that the occupants are not affiliated entities, and each has a separate utility meter and separate utility billing.

**Co-location of Community Solar Projects**

- No Approved Vendor may apply to the Adjustable Block Program for more than 4 MW of Community Solar projects on the same or contiguous parcels (with each "parcel" of land defined by the County the parcel is located in).
- Co-located projects summing to more than 2 MW of Community Solar may be permissibly located in one of two ways:
  - Two projects, of up to 2 MW each, on one parcel; or
  - One project, of up to 2 MW, on each of two contiguous parcels.
- Multiple projects up to 2MW in aggregate on the same parcel with the same owner will be considered a single project for purposes of REC pricing as well as size criteria in the case of a lottery.
- A parcel of land may not have been divided into multiple parcels in the two years prior to the project application (for the Adjustable Block Program) or bid (for competitive procurements) in order to circumvent this policy. If a parcel has been divided within that time period, the requirement will apply to the boundaries of the larger parcel prior to its division.
- If there are multiple projects owned or developed by a single entity (or its affiliates) located on one parcel of land, or on contiguous parcels of land, any size-based adders will be based on the total size of the projects owned or developed on the contiguous parcels by that single entity or its affiliates. Furthermore, the total combined size of projects owned or developed by a single entity (or its affiliates) on contiguous parcels of land may not be more than 2 MW, or more than 4 MW if co-located consistent with the provisions outlined above.
  - "Affiliate" means, with respect to any entity, any other entity that, directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with each other or a third entity.
  - "Control" means the possession, directly or indirectly, of the power to direct the management and policies of an entity, whether through the ownership of voting

securities, by contract, or otherwise. Affiliates may not have shared sales or revenue-sharing arrangements, or common debt and equity financing arrangements.

- “Contiguous” means touching along a boundary or a point. For example, parcels touching along a boundary are contiguous, as are parcels that meet only at a corner. Parcels, however near to each other, that are separated by a third parcel and do not touch along a boundary or a point are not contiguous.
- Projects owned or developed by separate entities (meaning that they are not affiliates) may be located on contiguous parcels. If there is a naturally good location from an interconnection standpoint, one owner should not be allowed to prevent another owner from developing a project in that location.
- Projects must have separate interconnection points.

### **Site Control**

The Approved Vendor must provide a written binding contract, option, or other demonstration of site control acceptable to the Program Administrator for all projects where the Approved Vendor is not also the project owner and the host. In cases where the system owner and host are the same entity, site control can be demonstrated by a statement from the system owner and host that this is the case.

### **Site Map**

The site map must be provided with each application for a ground-mounted system which shows property boundaries, any structures on the property, and the location of the solar array(s).

### **Shading Study**

A shading study shall be completed for all projects. Suitable shading studies can include, but are not limited to, using tools such as the Solar Pathfinder, Steprobotics, Helioscope, and HORIcatcher as well as or in conjunction with software designed to perform shading analysis. The Program Administrator and IPA reserve the right to request further information on any shading study or the system used to obtain that shading study. Applicants can request approval of a given shading study software or system prior to application, however applicants are not required to obtain pre-approval for the use of shading study software.

In order to use the standard capacity factor (discussed on the next page), a system must meet the Minimal Shading Criteria.

The Minimal Shading Criteria is:

No obstruction is closer than a distance (“D”) of twice the height (“H”) it extends above the PV array. All obstructions that project above the point on the array that is closest to the obstruction shall meet this criterion for the array to be considered minimally shaded. Any obstruction located north of all points on the array need not be considered as shading obstructions. Obstructions that are subject to these criteria include:

1. Any vent, chimney, architectural feature, mechanical equipment, or other obstruction that is on the roof or any other part of the building.

2. Any part of the neighboring terrain.
3. Any tree that is mature at the time of installation of the PV system.
4. Any tree that is planted on the building lot or neighboring lots or planned to be planted as part of landscaping for the building. (The expected shading shall be based on the mature height of the tree.)
5. Any existing neighboring building or structure.
6. Any planned neighboring building or structure that is known to the applicant or building owner.
7. Any telephone or other utility pole that is closer than 30 feet from the nearest point of the array.

### REC Quantity Calculation

1. The application portal will automatically calculate (i) the PVWatts estimated production and (ii) a production estimate using the standard capacity factors<sup>10</sup> of 16.42% for fixed mount or 19.32% for single- or dual-axis tracking systems. An applicant will be allowed to choose either of these numbers, which will then calculate a 15-year contractual REC delivery amount rounded to the nearest whole REC. The PVWatts capacity factor will be calculated automatically by the portal using PVWatts Version 5 and the following inputs:
  - a. System address as entered by the Approved Vendor
  - b. Module type: Standard
  - c. System losses: 14%
  - d. Array type will be based on Approved Vendor input for system type using the following: Fixed open rack for non-tracking ground mount systems, Fixed roof mount for non-tracking roof mounted systems, 1-Axis for single axis tracking systems, and 2-Axis for dual axis tracking systems
  - e. Tilt angle: Tilt angle entered by Approved Vendor
  - f. Azimuth angle: Azimuth angle entered by Approved Vendor
  - g. DC/AC ratio: Actual ratio based on Approved Vendor inputs for DC and AC capacity
  - h. Inverter Efficiency: As entered by Approved Vendor. If blank a default of 96% will be used.
  - i. Degradation: 0.5% per year. Alternative degradation rates will not be accepted.
2. Applicants can also use an alternative capacity factor, which may be larger than the standard or PVWatts capacity factor, if such a selection was obtained using a custom software tool designed to calculate such capacity factors or calculated by a professional engineer. Approved Vendors can always choose a number lower than the standard, PVWatts, or alternative capacity factor if they determine it is appropriate. Any arrays (i) with an azimuth greater than 270 or less than 090, (ii) with a tilt of greater than 80 degrees, or (iii) that do not meet the Minimal Shading

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<sup>10</sup> These capacity factors are 15-year average capacity factors, reflecting an assumption of 0.5% annual degradation, and based on an inverter's AC rating. Any alternative capacity factor should be based on the same assumptions. Please see Section 6.14.5 of the Plan.

Criteria may not use the standard capacity factors and must either use the PVWatts estimate or alternative capacity factor.

3. Any proposed alternate capacity factor that is calculated using a proprietary third-party software tool may be subject to audit by the Program Administrator. This may include a requirement that the Approved Vendor provide a copy of the third-party software tool with appropriate licenses to the Program Administrator as well as providing all inputs to the tool in a manner which will allow the Program Administrator to replicate the generation claimed. This will only be required on a case-by-case basis as determined by the Program Administrator who will conduct both random and targeted audits of alternate capacity factors.
4. The Administrator will evaluate systems using non-standard technologies such as bifacial panels or seasonally adjusted tilt on a case by case basis.
5. Any capacity factor that is approved for Part I of an application will be the maximum capacity factor that the system may use even if changes to the final as-built system would result in a higher capacity factor. However, any changes to the system between the Part I and Part II approval that would lower the capacity factor will result in a capacity factor reevaluation and the new, lower Part II capacity factor must be used. The Part II capacity factor cannot be greater than the Part I capacity factor. If there is a new, lower Part II capacity factor, again stated relative to the system size in AC, it will be used, rather than the Part I capacity factor, for calculating payments under the REC contract and the annual REC delivery obligations under the REC contract.
6. At the Part II application, the Approved Vendor will be asked to update system parameters, if needed. As an additional check, photographic evidence and possibly on-site inspections will be used to verify the final system parameters. If the standard capacity factor was used at the Part I application – and if the project is still eligible for the standard capacity factor based on its updated shading criteria, azimuth, and tilt – then the standard capacity factor will continue to be used as the Part II capacity factor and applied to the Part II system size, discussed below. If PVWatts was used at the Part I application to calculate a capacity factor, then PVWatts will be used again based on the updated Part II system parameters to calculate a Part II capacity factor. If a custom capacity factor was used at the Part I application stage, the same custom capacity factor will be used and applied to the Part II system size. Switching among production estimate calculation methodologies between Part I and Part II is not permitted.

### **System Size**

1. All system sizes described in this Guidebook are AC system size based on the inverter size, i.e. a system with a single 10 kW inverter is considered a 10 kW system even if it has 12 kW of STC DC capacity.
  - a. Inverter capacity shall be measured as the nameplate maximum continuous output.
  - b. An inverter shall be connected to a solar panel in order to be considered as part of the AC system size. In the case of microinverters that contain two inverters per unit, only the inverters connected to a panel shall be included in the AC system size.



2. Systems will be limited to a DC capacity of 150% of the AC capacity (for example, a 10 kW AC system can contain only 15 kW in STC DC capacity). An Approved Vendor may request an exemption for this requirement, but exemptions will only be granted for good cause and at the discretion of the Agency and its Program Administrator.

### **Systems with Battery Backup**

All systems which include a battery shall be electrically connected in a manner which ensures that any non-solar generated electricity used to charge the battery is not later metered as solar generated power. This can be done in one of two ways:

1. The meter used to report production is electrically located before the battery charger and does not measure any power that is drawn from the battery bank.
2. A net meter is connected to the system that runs in reverse when any non-solar power, including on-site generator power, is used to charge the battery bank.

This must be an integral part of the physical system design. An inverter which can be configured using software to preclude non-solar charging of the battery bank is not sufficient if that inverter is used as the source of reporting for renewable generation.

### **Systems that Directly Serve DC Loads**

The Agency does not wish to inadvertently prohibit participation in the Program by photovoltaic systems that do not convert the DC electricity produced to AC electricity. However, for the reasons addressed below, the Agency is still in the process of developing standards for allowing Adjustable Block Program participation from DC-only systems.

Certain difficult questions arise in considering how to structure such systems' participation, particularly, how to estimate the system's 15-year REC production for purposes of establishing a contractual delivery obligation. The Plan allows systems to use an alternative capacity factor based upon an analysis using PV Watts or an equivalent tool. This may be challenging, however, given that the alternative capacity factor ordinarily must be multiplied by a system's nameplate capacity (measured based on the inverter size in kilowatts AC), and in a DC-only system, the capacity of solar panels may significantly exceed the inverter size. An alternative approach may be to assume an inverter size equal in size to the DC photovoltaic array: e.g., if such a system has 10 kW DC of panels, the Agency could assume an inverter size of 10 kW AC and then multiply by a standard capacity factor.

The Agency plans to continue receiving feedback from and working with interested parties during the initial stages of program launch with the hope of developing manageable standards for allowing participation from DC-only systems prior to the update of the Agency's Long-Term Renewable Resources Procurement Plan in the second half of 2019.

### **Metering**

1. Systems registered in M-RETS must utilize an ANSI C.12 certified revenue quality meter.

2. Systems over 25 kW registered in GATS must utilize a new meter that meets ANSI C.12 standards.
3. Systems over 10 kW and less than 25 kW in size registered with GATS must utilize a meter that meets ANSI C.12 standards. Meters that are refurbished (and certified by the meter supplier) are allowed.
4. Systems of 10 kW in size and below registered with GATS must utilize either a meter that is accurate to +/- 5% (including refurbished and certified meters), or an inverter that is specified by the manufacturer to be accurate to +/-5%. The inverter must be UL-certified and must include either a digital or web-based output display. Inverters with integrated ANSI C.12 compliant meters are allowed with a specification sheet showing this standard has been met.
5. No system is required to have automated or remote meter reporting capability, although such meters are allowed if they meet the requirements in sections 1-4 above.
6. As referenced above, the Agency has not yet adopted a DC metering standard and welcomes continued feedback on the proper approach.

Registry	System Size	Accuracy	New vs Refurbished	Meter vs Inverter
M-RETS	All	ANSI C.12 revenue grade	Unspecified	Meter only
PJM-GATS	>25kW	ANSI C.12 revenue grade	New only	Meter only
	>10kW and <25kW	ANSI C.12 revenue grade	Refurbished ok	Meter only
	<=10kW	+/-5%	Refurbished ok	Inverter ok (must be UL-certified with digital or web-based output display)

### No Partial Systems

All systems entered into the ABP must include the entire output of the system (recognizing, of course, the REC delivery obligations for community solar projects correspond to only the subscribed shares of those projects). Any capacity of a system which is not part of the ABP must be separately metered with a separate inverter.

## Section 5: Project Applications

### Application Process

#### ***Batches***

All applications will be submitted electronically at [illinoisabp.com](http://illinoisabp.com). Applications will be completed on a project-by-project basis. However, applications can only be submitted in a batch which must consist of at least 100 kW and no more than 2 MW of capacity. A batch may include any combination of project types and locations, including project types across program categories. An approved vendor may select from their completed project applications to form and submit a batch. Project applications will only be reviewed once they have been submitted as part of a batch.

A minority-owned, female-owned, or small business may request to submit an initial batch of only 50 kW, with any subsequent batches subject to the standard 100 kW requirement. For purposes of eligibility for submitting a 50 kW initial batch, a “small business” means any for profit entity, independently owned and operated, that grosses less than \$4,000,000 per year or that has 50 or fewer full-time employees, with its principal office in Illinois. This status will be requested and approved by the Program Administrator in the Approved Vendor application process.

If REC contracts are allocated such that the capacity of a batch becomes less than 100 kW (or less than 50 kW for an initial batch by a minority-owned, female-owned, or small business) the batch still can be submitted for ICC approval, provided that at least 75% of the initial capacity of the batch was approved by the Program Administrator.

#### ***Application Fee***

An application fee equal to \$10/kW, not to exceed \$5,000, will be required for each project. This application fee will be paid to the Program Administrator at the time the batch is submitted. The application fee payment will be part of the batch submission process and the fee will be automatically calculated by the application portal. Fees may be paid by wire, check, credit card, or ACH direct deposit initiated by the applicant using a unique tracking code generated by the application portal in the wire or direct deposit notes section to allow matching of deposits to batch submissions by the Administrator. Credit card payments will be subject to an additional fee of 2.9% of the total payment to account for credit card processing fees and will be limited to no more than \$10,000 per month per Approved Vendor.

#### ***Application Parts***

Applications consist of a Part I and a Part II; each of these parts must be completed for each participating system. The Part I application may be completed when the project is in the planning stage and collects information on a system’s planned technical aspects including size, estimated REC production, equipment and installation company. The Part II application is to be completed only when a project has been completed and energized. Only systems that have a completed and approved Part I

application that is subsequently approved as part of a batch by the ICC may proceed to the Part II stage.<sup>11</sup>

A completed disclosure form is required for submission of a Part I application. The disclosure form must be generated using the disclosure form portal at the [illinoisabp.com](http://illinoisabp.com) site. The portal contains an interactive form that can be completed by either the Approved Vendor or one of their approved designees which produces a form that can either be e-signed using the portal e-signature functionality or printed, signed, scanned, and uploaded. The information from the disclosure form is automatically transferred to the application portal to start a Part I application for DG systems. Approved Vendors are not authorized to use their own versions of the disclosure form or their own e-signature systems. More information on the specific content of the disclosure form can be found in the distributed generation and community solar marketing guidelines on the program website (<http://illinoisabp.com/>). The disclosure form is to be completed after system design and must be delivered to the customer before the contract is signed. A representative of the Approved Vendor shall review the disclosure form with the customer before the customer signs it and provide the customer with an opportunity to ask questions about the disclosure form. Terms of the underlying contract between a customer and an Approved Vendor or its subcontractor must be consistent with terms of the required disclosure form. Any statements made verbally must be consistent with the contract and the disclosure form. If a DG system was energized or went under contract prior to the Agency's finalization of the DG disclosure forms on December 27, 2018, the Approved Vendor will be required to complete the disclosure form and send it to the customer, but will have an opportunity to attest, in lieu of obtaining the system host's signature on the disclosure, that its diligent, good-faith efforts to contact the customer using all known contact information were either unsuccessful or resulted in the customer refusing to sign the disclosure.

Once an Approved Vendor has at least 100 kW of Part I applications complete (or 50 kW if applicable) that Approved Vendor can select projects to become part of a batch submitted to the Program Administrator for approval. The Program Administrator will review each project's application in the batch for compliance with program guidelines and, as needed, request additional information from the Approved Vendor to verify the submitted information and approve the project. An Approved Vendor will be given up to two weeks to cure deficiencies in an application. In the case of continued communication between the Program Administrator and the Approved Vendor, at the Program Administrator's discretion, the cure period may be extended up to two weeks from the last good faith effort to provide the required information.

If, after any attempts to cure deficiencies have been made, 75% or more of the kW volume in a batch is reviewed and approved by the Program Administrator, the Program Administrator will assign the batch (less any projects not approved) to a utility, and prepare the confirmation information (and master contract information if it is the Approved Vendor's first batch) related to that batch.

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<sup>11</sup> Much of the description of Program procedures that follow the ICC's batch approval is adapted from the Final REC Delivery Contract published by the Agency on January 28, 2019 (<http://illinoisabp.com/rec-contract>). To the extent that there may be any unintended inconsistency between procedural descriptions in this Program Guidebook and the Final REC Delivery Contract, the latter will be controlling.

If less than 75% of the kW volume of a batch is approved by the Program Administrator, the batch will be rejected in its entirety. Batches will be reviewed in the order that they are received. Systems that are reviewed and approved but are in a batch that is rejected may be submitted in a future batch which will be subject to an expedited review process. The application fee for a batch applies only to newly submitted systems in that batch, not to systems that were previously reviewed and approved.

An Approved Vendor that repeatedly submits batches that are rejected may be subject to having its Approved Vendor status reviewed, and possibly terminated.

For Block 1, all batches submitted within 14 days of the program opening will be considered for Block 1. If the total quantity of approved projects submitted during that 14 day period in any Block 1 Category or Group exceed 200% of that Block's capacity, a lottery will be held to select projects.

The Program Administrator will then submit information about the batch to the Illinois Commerce Commission for approval. The Program Administrator simultaneously will forward the information to the applicable utility.

The Commission meets approximately every two weeks. The Program Administrator will strive to efficiently process approved batches for submittal to the Commission. The Agency understands that Commission practice is that items for consideration by the Commission must be submitted to be placed on its open meeting agenda at least one week prior to each meeting.

When the Program Administrator submits contract information to the Commission for approval, that submittal will include the Program Administrator's recommendation for approval of the batch, with a summary of factors relevant to Plan compliance and pertinent to the Commission's standard of review for batch approval. Once a batch is approved by the Commission, the applicable utility will execute the contract. The Approved Vendor will then be required to sign the contract within seven business days of receiving it. Approved Vendors that do not execute an ABP contract after project selection, submission to the Commission for approval, the Commission's approval, or the utility's contract execution may face disciplinary measures impacting their status as an Approved Vendor in the Program moving forward; any such discipline will be based on the Program Administrator and IPA's review of the circumstances under which the contract was declined.

Unless the system has already been energized (including the initiation of the standing order for REC transfers), within 30 business days of the ICC approving the contract, a collateral requirement constituting 5% of the value of a system's REC contract must be posted with the utility counterparty in the form of cash or a letter of credit from an underwriter with credit acceptable to the utility. The Approved Vendor may choose for the utility to withhold the collateral amount for each system from the first REC payment for the system (or only REC payment for small systems) in exchange for not needing to maintain the ongoing collateral requirement, but this election may be made only after the project is certified by the Program Administrator as developed and energized.

### ***Development Timelines***

Once a contract for a batch has been executed by the Approved Vendor and the utility, projects within that batch must be developed and energized by the following time limits based on the contract execution date:

- Distributed generation projects will be given one year to be developed and energized.
- Community solar projects will be given 18 months to be developed, energized, and demonstrate that they have sufficient subscribers.

A project that is not completed in the time allowed (plus any extensions granted, as described further below) will be canceled and removed from the schedule on its contract, and the REC volume associated with the project will be eliminated. The Approved Vendor will also forfeit the posted collateral associated with the project.

A project that is not completed in time and deemed canceled may be subsequently included in a future batch submitted by an Approved Vendor but will be treated as a new system rather than a resubmitted system and will receive a REC price applicable to its category and block open at that time.

Extensions will be granted for the following circumstances:

- An indefinite extension will be granted if a system is electrically complete (ready to start generation) but the utility has not approved the interconnection. The Approved Vendor must document that the interconnection approval request was made to the utility within 30 days of the system being electrically complete, yet not processed and approved.
- A 6-month extension will be granted for documented legal delays, including permitting delays.
- One 6-month extension will be granted upon payment of a refundable \$25/kW extension fee for distributed generation systems, and up to two 6-month extensions for community solar projects (the second extension is only for achieving the required subscriber rate, not for project completion and energization, and will require an additional refundable \$25/kW fee). The extension fee(s) would be payable to the contracting utility and would be refunded as part of the first (or only for systems up to 10 kW) REC payment.
- The Agency may also, but is not required to, approve additional extensions for demonstration of good cause. The Agency is aware of potential delays in receiving updated interconnection cost estimates (particularly for community solar projects on a crowded feeder queue) that could delay system completion timelines, possibly pushing electrical completion beyond the period contemplated in the contract at no fault of the developer; such delays would qualify as good cause for the approval of an extension.

## **Part II Submittal Process**

Once a system is completed and energized (and after ICC approval of the system's application for a REC contract), the Approved Vendor will complete Part II of the application. Part II will consist of uploading information verifying completion of the project and confirming that the specifications have not changed from the Part I application. If the final system size is larger than the proposed system size such that it would cause the system to change from the up-to-10 kW category to the over-10 kW category, the

payment terms will be adjusted from the full payment on energization to 20% payment on energization and the balance paid over the next four years; the reverse is also true. Additionally, for any increase in system size at the Part II stage, the price per REC will be changed to the applicable REC price for the final system size based on the block open at the time the system is energized. A system that is developed at a size smaller than the original application will not be eligible for additional price adders.

A project's REC payment is based on the quantity of RECs estimated to be produced by the system, and this amount will be considered the lesser of the estimated production in Part I and Part II of the application. In this way, a system that is built smaller than planned will not benefit from excess REC payments that the final system cannot support as a result of its decreased production estimate. On the opposite side, if a project's final size is larger than the planned size, an increase in the REC payment could present unexpected budget management challenges.

If the final size differs (whether larger or smaller) from the size submitted in Part I of the project application and the difference exceeds the larger of 5 kW or 25%, then the system will be removed from the contract, with the option to re-apply to the ABP. If the size difference at the Part II stage does not exceed those limits, the system will remain validly under contract. In the case of a size *increase* of less than the larger of 5 kW or 25%, *or* if the Approved Vendor desires to have the system change from a distributed generation project to a community solar project (or vice versa), then the Approved Vendor will have the option of canceling and resubmitting the system, but the REC price will then be that of the Block open at the time of resubmission, not of the original submittal. A new application fee will be required because the Agency will need to review the system design, which would be different from what was originally submitted (e.g., because of the change in system size). In all these cases described in this paragraph, if a project is removed, then resubmitted and approved within 365 days of the removal, the collateral associated with the original system would be applied to the resubmitted system (and any excess refunded to the Approved Vendor); if not, the original collateral would be forfeited.

The Agency will reserve the right to request more information on an installation, and/or conduct on-site inspections/audits of projects to verify the quality of the installation and conformance with the project information submitted to the Agency. Projects found not to conform with applicable installation standards and requirements, or projects found not to be consistent with information provided to the Agency, will be subject to removal from the program if the deficiencies cannot be remedied. Likewise, Approved Vendors who repeatedly submit projects that have these problems may be subject to losing their Approved Vendor status.

The Program Administrator will review the Part II application and upon approval will provide a confirmation sheet to the Approved Vendor to include with its invoice to the utility with which it has contracted to sell the RECs from that project. The Program Administrator separately will provide information to each utility covering the details of each completed project.

### **Energized Systems**

Only systems energized on or after June 1, 2017, are eligible for application to the Adjustable Block Program. An Approved Vendor is allowed to submit a Part I application for an already energized system

that meets this requirement; however, the Approved Vendor bears the risk that the system does not meet program requirements if marketing, sales, installation, and other development activities occurred prior to the Agency's final publication of Program guidelines. Systems that are already energized will complete the same Part I and Part II process for final approval, with the only exception that the irrevocable standing order must be initiated but will not be accepted by the utility until after ICC approval and contract signing.

### **Community Solar Additional Requirements**

Part I of an application for a community solar project will require a description of the proposed subscription model (e.g., typical length and structure of contract, economic terms, marketing channels, etc.) and the expected mix of residential and non-residential subscribers. Applicants may enter their proposed model or enter "unknown" if the model is not yet known. The Agency will assess whether the subscription model will reasonably meet program terms and conditions and will use the subscriber mix to determine which adder, if any, will be awarded to the system, but the final adder (if any) will depend on the subscription level demonstrated once the system completes Part II of its application.

Under Part II of the application, a community solar project will have to demonstrate that it has met a minimum subscription level to be considered energized and eligible to receive payment for RECs. To receive REC payments, at least 50% of the capacity of the project must be subscribed at the time of energization. Such payment will be based upon a project's percentage subscribed at the time of energization. The Approved Vendor will report subscription levels on a quarterly basis during a project's first year. The calculation of the number of RECs for payment will be updated after one year of operation (based on the final quarterly report of that first year) to allow for the acquisition of additional subscribers. A community solar project may request one additional extension, with a non-refundable extension payment of \$25/kW, to its energized date if it needs additional time to acquire subscribers.

If a community solar project fails to attract sufficient subscribers by the time of energization, but also meets the definition of a distributed generation project (i.e., is located on-site, behind a customer's meter, and used primarily to offset a single customer's load), it may request to be recategorized as a distributed generation project and receive a REC payment at the lesser of the original price and the price of the distributed generation block open at the time this determination is made. A community solar project that does not meet the definition of a distributed generation project that fails to attract subscribers will not be eligible for this option and would not be eligible for REC payments. Likewise, a proposed distributed generation system may switch to be recategorized as a community solar project before energization and receive the REC price of the currently open community solar block, and any appropriate adders. In both of these situations, a project may only switch one time.

### **Required Information**

The following information will be required for each Part I and Part II application:

#### ***Part I***

**Note: Every completed disclosure form will create a Part I application with all of the information from the disclosure form already prefilled, eliminating the need for duplicate data entry. Community solar**



**projects will not have completed a disclosure form and will therefore be required to enter this data in the Part I application form. All items not marked as “optional item” are required for a Part I application.**

- Project location and property owner
- Project Owner (if different than property owner)
- Installer name & contact information (May select unknown if not yet known)
- Name of Utility for which the system is interconnected
- Project Type (Residential, Non-residential, Government, Non-Profit, Community Solar)
- Financing Structure (Customer-owned, lease, or PPA) (Not asked for community solar)
- Number of graduates of job training programs the developer intends to work on the project (optional question)
- Technical Project Information
  - Ground or Roof Mount
  - Number of tracking axes (fixed tilt, 1-axis tracking, 1-axis backtracking, or 2-axis tracking)
  - Array information (# modules, module power rating, tilt, & azimuth) for each array
  - Inverter size in continuous AC output which must be equal to or less than nameplate capacity
  - Inverter efficiency
  - System size in DC and AC will be calculated by the portal from the information provided above.
- PV Watts (or similar tool) estimate of REC production during 15 year term (auto-calculated by the portal if using PV Watts)
- For Community Solar only
  - (for purposes of preference in lottery selection) Does the project commit to obtaining 50% small-subscribers? Note: This is only for the purposes of any potential initial lottery. Community Solar projects will receive adders for small subscriber subscription levels as described in Section 1 regardless of selection made here, and thus may still receive an adder for small subscriber subscription levels above 50% despite an initial commitment of only 50%.
  - Describe the proposed subscription model (e.g., typical length and structure of contract, economic terms, marketing channels, etc.). Applicants may enter their proposed model, or enter “unknown” if the model is not yet known.
  - Describe the expected mix of residential and non-residential subscribers.
  - If the project is in a municipal utility or electric cooperative territory, demonstrate the municipal utility or electric cooperative offers net metering bill credits for community solar projects substantially similar to that offered under Section 16-107.5(l) of the Public Utilities Act as well as purchase of any unsubscribed energy under the Public Utilities Regulatory Policies Act of 1978.
- Required Uploads
  - For DG Projects

- A disclosure form must have been completed and signed through the application portal.<sup>12</sup> This can be done prior to the Part I application and will not require a separate upload.
- For all Projects
  - Shading Study
  - Proof of site control
  - Plot diagram or site map for all systems
- Additional uploads for systems over 25 kW
  - Signed Interconnection Agreement
  - Approved Vendors must attest that they have obtained all non-ministerial permits that, according to the commercially reasonable investigation of the Approved Vendor, are necessary to the project at the time of application to the Adjustable Block program. The Approved Vendor must list all such permits, along with the name, phone, and email of a contact person at the issuing authority. The Program Administrator will verify a random selection of permits and reserves the right to verify any permits that it deems require further investigation.
- Requirements for systems already energized prior to application
  - GATS or M-RETS unit ID
  - Uploading of
    - Certificate of Completion of Interconnection
    - Net metering application approval letter (if applicable)

Any project that does not meet these requirements will not be considered eligible to receive REC payments; the Approved Vendor will have the option to resubmit the project. However, the resubmittal will be placed at the end of any waitlists that had previously been established for that Group/category, will be at the price of the Block open at the time, and will require a new application fee.

### **Part II**

- Actual system size in both DC and AC (if different than the size submitted in Part I, please re-supply the array information)
- Final 15-year REC production estimate
- Modules: manufacturer / make, model
- Inverter: size, manufacturer / make, model,
- Number of tracking axes (fixed tilt, 1-axis tracking, 1-axis backtracking, or 2-axis tracking) – must be the same as submitted in Part I.
- Does this project have a battery backup?
- Meter: manufacturer / make, model. Does the meter meet the ANSI C.12 standard if required by the applicable registry?

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<sup>12</sup> There is a limited exception, discussed above, for systems that went under contract or were energized prior to the Agency's finalization of the DG disclosure form on December 27, 2018.

- Number of graduates of job training programs who worked on the project (optional question)
- Provide description of any other changes made to the project between initial application and the completion of the project
- Interconnection Approval Date and Online Date
- Registry in which the system is registered (PJM-GATS or M-RETS)
  - Provide the PJM-GATS or M-RETS unit ID
  - Provide the name on the PJM-GATS and M-RETS account
  - Provide proof of accepted irrevocable transfer agreement
- Confirm name and contact information of company performing installation from Part I (must match the name of a current ICC Certified DG Installer)
- Name of qualified person(s) who conducted the installation
- Provide final invoice showing installer. If the system owner is the installer a checkbox can be selected to indicate this
- Attestation of compliance with all marketing guidelines published by the Agency, for marketing activity that occurred after November 26, 2018
- Attestation that the contract with the customer is consistent with the disclosure form provided to the customer
- Attestation of compliance with all DG installation contract requirements or community solar subscription requirements previously published by the Agency (or an attestation that good-faith, diligent attempts to secure a compliant contract amendment for DG contracts executed before January 23, 2019 were unsuccessful)
- Final system cost

Note: Individual project costs will be protected as confidential and proprietary pursuant to the Agency's obligation under Section 1-120 of the IPA Act. All persons within the Agency or the Program Administrator who have access to this information will be required to submit a signed statement demonstrating a commitment to maintain the confidentiality of the information and appropriate cybersecurity measures will be taken to protect this information. This approach is similar to how the Agency and its Procurement Administrator have handled sensitive commercial information submitted by bidders in competitive procurements for energy, capacity, and renewable energy resources during past years.

Section 7(1)(g) of the Illinois Freedom of Information Act exempts from disclosure "[t]rade secrets and commercial or financial information obtained from a person or business where the trade secrets or commercial or financial information are furnished under a claim that they are proprietary, privileged or confidential, and that disclosure of the trade secrets or commercial or financial information would cause competitive harm to the person or business, and only insofar as the claim directly applies to the records requested." (5 ILCS 140/7(1)(g)). The requested submission of project cost data will have a check box for the Approved Vendor to certify that the predicate conditions of Section 7(1)(g) are met. It is the Agency's position that project cost data would, with such a certification, constitute commercial or financial information that is exempt from public disclosure.

Project cost information will only be disclosed on an aggregated basis no smaller than an entire block.

Variations in the system layout between Part I and Part II are not allowed except in the following cases:

- Change in location of the system on a roof or parcel for any DG system, or any system for a Community Solar project which was the only project on a parcel entered into the initial program lottery, if held.
- Increase in the surface area covered as long as the originally plotted footprint is still entirely covered by the solar array or associated equipment or wiring.
- Decrease in the surface area covered as long as the solar array and any associated equipment or wiring remains entirely in the originally plotted footprint.
- Changes in location on a parcel made to provide access paths through the solar array in order to access an otherwise stranded portion of the parcel.
- Changes in location on a parcel made to account for parcel unsuitability that was not apparent in the Approved Vendor's commercially reasonable investigation of the property when conducting the initial project design.
- Approved Vendors may request approval for other changes; such approval will be granted if the Approved Vendor can demonstrate to the Program Administrator that the change was made due to factors that were not apparent in the Approved Vendor's commercially reasonable investigation of the project when conducting the initial project design and which would not constitute gaming of the lottery system or project application process.

Required Uploads:

- Certificate of Completion signed by the utility
- Net metering approval letter (if applicable)
- Photograph(s) of the project showing all installed modules. Photograph(s) must clearly show each module.
- Photograph(s) of the inverter(s). Photograph must clearly show inverter model number. Photograph of just one inverter is acceptable if using microinverters.
- Photograph of the meter (if applicable). Photograph must clearly show current cumulative lifetime meter reading.
- Proof that the project has an irrevocable transfer set-up in the REC tracking registry through either a copy of the irrevocable transfer acceptance email or a screen shot of the irrevocable transfer screen showing the registry certification number of the system.
- For Community Solar only
  - Proof that minimum subscriber commitments have been met (50% of capacity must be subscribed)
  - Percentage of small subscribers (as a share of total system capacity)

## Section 6: Renewable Energy Credit Management

### REC Delivery

1. All systems must be registered in either the PJM-GATS or M-RETS tracking registry. For systems larger than 5 kW, the first REC must be delivered within 90 days of the date the system is energized and registered in GATS or M-RETS. For systems smaller than 5 kW, 180 days for the first REC delivery will be allowed. The 15-year delivery term will begin in the month following the first REC delivery and will last 180 months.
2. Approved Vendors will be required to set up an irrevocable 15-year Standing Order for the transfer of RECs from the system to the utility.
  - a. Community Solar projects which are not 100% subscribed will be allowed to set up a standing order for the percentage subscription the project has met. For the unsubscribed portion of a project, RECs will not be transferred to the utility. Community Solar projects shall update this percentage once per year based on their achieved subscription rates for the previous year.
  - b. All other systems must set up an irrevocable standing order for 100% of the capacity the system produces.
3. Systems already energized at the time of contract signing, including systems energized on or after June 1, 2017, will be required to deliver their first REC within 90 days of contract signing, or 180 days for systems less than 5 kW. The 15-year delivery term will begin in the month following the first REC delivery and will last 180 months. 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.

### ***Submitting REC Information to Tracking Systems***

Approved Vendors are responsible for entering system production in the tracking registry where the system is registered. This must be done at least annually (and as frequently as monthly) and as necessary to ensure that the delivery of required RECs under contract is complete prior to the annual report submission date. Detailed information about creating RECs in the PJM-GATS system can be found at <https://www.pjm-eis.com/getting-started.aspx>. Detailed information for M-RETS can be found at <https://help.mrets.org>

### **Assignment of REC Contracts**

REC delivery contracts entered into under the Adjustable Block Program are assignable, and assignments may be made at either the batch (or "Product Order," as used in the contract) or Master Agreement level. As required by the Plan, assignments may only be made to entities registered with the ABP as Approved Vendors. If the assignment is to an Approved Vendor already having a valid REC Contract with the same counterparty utility through the ABP, then the prior written consent of the counterparty utility is not required for that assignment and any batches transferred will constitute new batches under the Approved Vendor's existing agreement with that utility. The Approved Vendor assignor must notify the

IPA and counterparty utility of such an assignment made without the utility's consent and provide that utility with the assignee's contact and payment information.

Assignments by Approved Vendors are subject to an assignment fee of \$1,500 for the first assignment and \$5,000 for any subsequent assignments of the same batch or same master agreement. Assignment fees are payable to the counterparty utility at the time of assignment, with fees made part of that utility's renewable resources budget for the procurement of renewable energy resources. Assignments to affiliates are not subject to fees.

Assignments may not be made within a) 30 business days of contract execution (or the posting of collateral, whichever is later) or b) 30 business days of a prior assignment of the same batch or same master agreement. In the case of the assignment of an individual batch, any surplus RECs associated with the batch remain with the original master agreement.

On assignment, an Approved Vendor's ongoing collateral with respect to a transferred batch, if in cash form, may simply be applied to the transferred batch, while letters of credit will remain in place until the assignee posts replacement collateral.

Upon completion of the assignment, new contract documentation – including Exhibit A and associated schedules – will be developed by the Program Administrator to reflect the change in systems subject to the assignor's original agreement and the assignee's expanded or new agreement.

### ***Collateral Assignment***

Collateral assignment of the REC contract by an Approved Vendor – i.e. pledging of the accounts, revenues or proceeds in connection with any financing or other financial arrangements for a system or systems, but without relieving itself of performance obligations – is permitted at either the batch or Master Agreement level and does not require prior consent of the counterparty utility. The Approved Vendor must notify the IPA and counterparty utility of the collateral assignment made without the utility's consent and provide that utility with the identity of and contact information for the financing party.

As financing parties are unlikely to be Approved Vendors but may become assignees due to foreclosure or default under financing arrangements, the requirement that such an assignee be an Approved Vendor will be waived for 180 days following such a transfer. The new assignee would then have 180 days to either a) become an Approved Vendor itself, or b) assign the batch or Agreement to an Approved Vendor. For purposes of calculating assignment fees, both the initial assignment post-default and the second assignment within 180 days constitute a single assignment.

For more information on assignment or collateral assignment, please see Section 9.2 of the Master REC Agreement within the REC Contract.

## Section 7: Annual Reports and Performance Evaluation

### Annual Report Requirements

On an annual basis, each Approved Vendor will submit an Annual Report of the contracts and systems in its portfolio using the Approved Vendor portal at [www.illinoisabp.com](http://www.illinoisabp.com). Each Approved Vendor will be able to change its point of contact for completing the Annual Report at any time if desired. The Annual Report will serve as the basis for verifying that RECs from projects are being delivered to the applicable utility, and, absent corrective actions taken by the Approved Vendor, can be a tool used to determine what actions may be taken by the utilities to enforce the contractual requirements that RECs are delivered, including, but not limited to, drawing on collateral. Additionally, the Annual Report will be used by the Agency to consider the ongoing eligibility of an Approved Vendor to continue participation in the program. For all systems, the report will include information on:

- RECs delivered by each of the systems in the portfolio
- Status of all systems that have been approved, but not yet energized, including any extensions requested and granted
- Energized systems that have not delivered RECs in the year
- Balance of collateral held by each utility
- A summary of requests for REC obligation suspensions, reductions, or eliminations due to force majeure events
- Information on consumer complaints received

For community solar projects, the report will also include:

- Percentage of each system subscribed on a capacity basis
- The number and type of subscribers (e.g., residential, small commercial, large commercial/industrial), including capacity allocated to each type
- Subscriber turn-over rates
- An internal check in the portal to ensure that community solar disclosures were signed by all subscribers

The community solar annual report will require the Approved Vendor to enter each subscriber, the subscriber's contract start date and end date if it fell within the current reporting year, if the subscriber meets the requirements of a small subscriber, and the subscriber's subscription size in kW. The portal will automatically prorate all data to determine the average subscription amount and percentage of small subscribers based on this data. A signed disclosure form is required in order for a given subscriber to count towards a community solar project's subscriber tally in either an annual or quarterly report. As with project cost data, the IPA will treat this information as confidential and proprietary and will provide protection of this information as required under Section 1-120 of the IPA Act (including asserting any applicable protections in response to FOIA, discovery, or other requests).

Approved Vendors will be given 90 days to cure any deficiencies in the information reported, as found by the Agency and/or utilities. Failure to cure deficiencies may result in the contracting utility drawing

on collateral. In addition, Approved Vendors' program eligibility may be jeopardized by failure to address and cure deficiencies.

The Agency will review the annual reports as well as utility-reported information on REC deliveries and community solar subscribers to assess compliance with the requirements of the Adjustable Block Program and, if there are underperformances, coordinate with the applicable utility on drawing on collateral. That process is described below.

### **Collateral and Performance Evaluation Mechanics**

Following Commission approval of a batch, the Approved Vendor must post collateral for all systems in the batch within 30 business days. Initial collateral for any system is 5% of the total REC contractual value for that system, based on the capacity factor and system size proposed in the Part I application, including any small subscriber commitment adders to the REC price. Collateral may be posted in the form of cash or a Letter of Credit. A Letter of Credit must use standard forms provided with the published REC contract; minor modifications may be allowed if approved by the counterparty utility. For a system already energized at the time of ICC approval, as an alternative to posting collateral, the Approved Vendor may request that the 5% collateral requirement be withheld from the first REC payment.

Collateral and performance evaluation will generally be handled at a portfolio level, i.e. pooled across all batches and systems for a given Approved Vendor. There will be two forms of annual evaluation, described further below: REC delivery performance (for all systems) and community solar system parameters. Underperformance by any system in either of those categories can trigger a collateral drawdown for a delivery year. In any delivery year where one or more systems under the REC contract have a collateral drawdown, the Approved Vendor may elect to pay the total drawdown as cash or have the drawdown taken from posted collateral. If two forms of collateral have been posted (cash and letter(s) of credit), the Approved Vendor may additionally choose which form of collateral shall be drawn upon.

Within 90 days after any collateral draw, the Approved Vendor will be required to post additional collateral to "top up" its total collateral, to equal 5% of total remaining contract value (where each system's contractual value declines by 1/15 each contract year). The Approved Vendor can request the withholding of the next payment(s) due under the contract (if any) in lieu of "topping up" the collateral. When the last system within a batch reaches the end of its delivery term, an Approved Vendor may request a refund of the collateral associated with that batch.

Any failure to post collateral or pay for collateral drawdowns on a timely basis as required shall be an event of default under the REC contract.

If a system receives an interconnection cost estimate from the interconnecting utility prior to energization that exceeds 30 cents per watt AC (\$300 per kW AC), the Approved Vendor shall have the option of withdrawing that system from the REC contract and receiving a refund of 75% of its previously posted collateral associated with that system.



### ***REC Delivery Performance Annual Evaluation***

At the time of energization, a schedule of annual REC deliveries over 15 years will be set, based on the system's approved capacity factor and a 0.5% annual reduction of delivery obligations.<sup>13</sup> Starting at the end of the third full delivery year after the date of energization, a 3-year rolling average of actual REC deliveries will be calculated each year, and that average performance will be deemed to be the system's performance for the recently completed delivery year. In the case of a system's annual surplus production, the "surplus RECs" will be applied to the Approved Vendor's "surplus REC account,"<sup>14</sup> which is a single surplus REC account for the entire contract. Surplus RECs can be "banked" forward indefinitely, if unused, until the end of the final delivery term in the REC contract.<sup>15</sup>

In the case of a system's annual REC underperformance, first, surplus RECs from the surplus REC account if available shall be used to address the deficit (starting, for a delivery year, with the lowest-valued underperforming system and then moving to higher-valued systems within the contract portfolio). If surplus RECs are not available to fill in the entire underperformance across all systems in the contract for a delivery year, the underperformances shall be valued at the respective REC prices and that total shortfall amount shall be remedied through a collateral drawdown for the delivery year.

At the end of the 15-year delivery term for the last system under an Approved Vendor's REC contract, any unused balance of surplus RECs may be used to receive a refund for prior collateral drawdowns that related to REC underperformance.<sup>16</sup> The lowest-valued underdelivered RECs will first be refunded to the Approved Vendor, moving then to higher-valued underdelivered RECs, until no surplus RECs remain in the surplus REC account. If any surplus RECs remain in the surplus REC account after all prior collateral drawdowns have been refunded, ***no additional refund will be made*** for those leftover surplus RECs.

### ***Community Solar System Parameters Annual Evaluation***

After each delivery year, the Approved Vendor will be required to report subscriber information for each community solar system including subscription amounts, small subscriber status, and subscription start/end dates. The IPA will evaluate the system's share of physical capacity that is (i) subscribed and (ii) subscribed by small subscribers, based on daily averages over the course of the year. Based on the subscription share and the small subscriber mix actually realized for the delivery year, a REC price and REC quantity owed under the terms of the ABP will be calculated. This will be compared to the actual contractual payment previously made for that system corresponding to that delivery year, and any

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<sup>13</sup> An Approved Vendor may request for a system's annual REC delivery obligations to be reduced in mid-contract. The Buyer and Seller would then seek to negotiate a settlement payment as part of the reduction in delivery obligations; the Buyer would not be required to ultimately accept the request.

<sup>14</sup> To be clear, surplus RECs and the Approved Vendor's surplus REC account are only a "virtual" concept used for purposes of performance evaluation and collateral issues. The actual RECs shall be delivered to the counterparty utility when generated and then retired.

<sup>15</sup> Following an assignment of a batch to another contractual party where the original Approved Vendor retains other batches in its contract, the original Approved Vendor will retain any surplus RECs that had been generated by systems in the transferred batch prior to the assignment.

<sup>16</sup> This refund procedure would not apply to prior collateral drawdowns based on annual community solar system parameters.

negative difference will become a collateral drawdown for that system for that delivery year. Any annual “overperformance” with regard to community solar system parameters will **not** result in any extra payment, “banking” for future delivery years, or carryback for prior delivery years.

## Section 8: Invoicing and Payments

An Approved Vendor may submit an invoice for payment to the counterparty utility only for systems that have been energized. For distributed generation systems 10 kW or smaller, the REC contract provides for a one-time payment for the full 15 years of REC deliveries after the conclusion of the quarterly period during which the system is energized. For distributed generation systems over 10 kW, twenty percent (20%) of the total contract value is paid after the conclusion of the quarterly period during which the system is energized. The remaining balance (80%) is paid in equal installments over the following sixteen quarterly periods. Community solar projects are paid on the same schedule as larger distributed generation systems but are further subject to a payment adjustment each quarterly period during the first year of operations. If the Approved Vendor has elected for the 5% collateral under the REC contract to be withheld from the first REC payment for a system, this balance will be released at the end of the 15-year contractual period for the last system in that batch.

The formula for calculating the total REC payment of an energized system is as follows:

System (inverter) size in MW AC x approved capacity factor x 365 days/year x 24 hours/day x 15 years x 1 REC/MWh x \$/REC.

For community solar projects, the system size in this formula is only the portion of the system's nameplate capacity that is subscribed.

Invoices for payment may be submitted to the counterparty utility on a quarterly basis. To facilitate invoicing and payment, at the end of each quarterly period, the IPA and Program Administrator will prepare a quarterly netting statement for each Approved Vendor applicable to each of its REC contracts (up to three, as there are three potential counterparty utilities), which includes payment-related information. The IPA, through its Program Administrator, expects to issue quarterly netting statements by the following dates: June 1, September 1, December 1, March 1.

After the receipt of a quarterly netting statement, an Approved Vendor may submit its invoice for payment to the applicable counterparty utility no later than the following invoice due dates: June 10, September 10, December 10, March 10.

Payments from the utility to the Approved Vendor will be made at the end of the month in which an invoice is submitted, provided that the utility receives the invoice by the relevant due date.

Each quarterly invoice submitted to the counterparty utility must include the following:

- most recent quarterly netting statement provided by the Program Administrator to the Approved Vendor
- invoice amount;
- cumulative amount already received by the Approved Vendor under the REC contract;
- maximum allowable payment, as indicated in the most recent quarterly netting statement; and
- the PJM-GATS or M-RETS Unit ID of each system included in the invoice.

## **Section 9: Guidebook Update Process**

The Guidebook will be periodically updated both as the program changes and as additional questions and issues arise. Minor updates to the Guidebook will be made by the IPA in consultation with the Program Administrator on a regular basis. Such changes will be announced on the [www.illinoisabp.com](http://www.illinoisabp.com) website; the version of the Guidebook published there will always be the latest version.

The Agency may also contemplate more significant changes to the Guidebook that would benefit from stakeholder input. In these cases, a notice of the stakeholder process and a copy of the draft change will be published on the [www.illinoisabp.com](http://www.illinoisabp.com) website. Stakeholders will be provided the opportunity to read the draft changes, attend a stakeholder meeting and/or webinar, and provide written comments on the proposed changes. Those comments will be reviewed by the Agency and its program Administrator prior to adopting more significant changes to the Program Guidebook.

## Section 10: Glossary

**Agency:** The Illinois Power Agency (see 20 ILCS 3855)

**Ameren Illinois:** Ameren Illinois Company

**Approved Vendor:** An entity approved by the Program Administrator to submit project applications to the Adjustable Block Program and act as counterparty to the ABP contracts with the utilities.

**Batch:** The minimum size of a submission to the Adjustable Block Program, normally 100 kW with exceptions for the first submission of certain Approved Vendors.

**Block:** A defined size of program capacity with a defined level of incentives that declines at a rate of 4% per each new block as capacity is enrolled.

**Category:** A classification based on a system size and type. The program has three categories: Small Distributed Generation (DG) for DG systems 10 kW and below, Large Distributed Generation for DG systems above 10 kW up to 2 MW in size, and Community Solar for community solar projects regardless of size.

**Co-located:** A term related to community solar projects only, defined as:

- Two projects, of up to 2 MW each, on one parcel; or
- One project, of up to 2 MW, on each of two contiguous parcels.

**ComEd:** Commonwealth Edison Company

**Community Solar:** A solar project which (1) is interconnected to an electric utility, a municipal utility, or a rural electric cooperative, (2) allows subscribers to pay for shares or some other “interest” in the project, receiving bill credits in exchange; and (3) does not exceed 2,000 kW AC in size. Also known as a “photovoltaic community renewable generation project.”

**Distributed Generation:** A system which is located on-site, behind a customer’s meter, and used primarily to offset a single customer’s load; it cannot exceed 2,000 kW AC in size.

**Energized System:** A system which is complete, has received a utility permission to operate, and has completed and received approval of Part II of the program application.

**Group:** One of the two Block Groups used to classify a system based on location. The Groups are:

- Group A – Ameren Illinois, MidAmerican, Mt. Carmel, Rural Electric Cooperatives and Municipal Utilities located in MISO
- Group B – ComEd, and Rural Electric Cooperatives and Municipal Utilities located in PJM

**ICC:** Illinois Commerce Commission (see 220 ILCS 5); The State Agency charged with regulating public utilities in Illinois, as well as approving aspects of the Adjustable Block Program.

IPA: Illinois Power Agency; The State Agency charged with administering the procurement of renewable energy resources to meet Illinois' renewable energy portfolio standard, in addition to procuring electric power supply for eligible retail customers of electric utilities and other responsibilities.

Interconnection Agreement: An agreement with the utility to interconnect the photovoltaic community solar or distributed generation system to the utility's distribution system.

Large DG: A distributed generation system larger than 10kW, up to 2MW

M-RETS: The Midwest Renewable Energy Tracking System. This is an independent entity from the State of Illinois, the IPA, and the Adjustable Block Program. It is one of two tracking registries, which along with PJM-GATS can be used to track creation, transfer, and retirement of RECs. More information can be found at the M-RETS website at <https://www.mrets.org/>

MidAmerican: MidAmerican Energy Company

Mt. Carmel: Mt. Carmel Public Utility

Net Metering: A provision in an electric utility's tariff that allows for crediting a customer's bill for all or some of the production of a distributed generation or community solar facility which has been exported to the distribution grid.

Non-ministerial Permit: A non-ministerial permits is a permit in which one or more officials consider various factors and exercise some discretion in deciding whether to issue (typically with conditions) or deny the permit.

Part I: The initial application into the program which contains detailed information on the system and its location. Part I approval results in an ICC approved contract with one of the distribution utilities. A system must be energized within 12 months (18 months for community solar projects) after this contract is approved.

Part II: The second part of the application completed after energization, demonstrating completion of the project in accordance with the Part I parameters approved.

PJM-GATS: The PJM Environmental Information Service generation attribute tracking system. This is an independent entity from the State of Illinois, the IPA, and the Adjustable Block Program. It is one of two tracking registries, which along with M-RETS can be used to track creation, transfer, and retirement of RECs. More information can be found at the PJM-GATS website at <https://www.pjm-eis.com>.

Program Administrator: The IPA's designee responsible for running day to day operations of the Adjustable Block Program. InClimate has been designated the Program Administrator.

Project: A solar photovoltaic array and all associated equipment necessary for its generation of electricity and connection to the distribution grid. (Same as "System")

**Qualified Person:** "Qualified person" means a person who performs installations on behalf of the certificate holder and who has either satisfactorily completed at least five installations of a specific distributed generation technology or has completed at least one of the following programs requiring lab or field work and received a certification of satisfactory completion: an apprenticeship as a journeyman electrician from a DOL registered electrical apprenticeship and training program; a North American Board of Certified Energy Practitioners (NABCEP) distributed generation technology certification program; an Underwriters Laboratories (UL) distributed generation technology certification program; an Electronics Technicians Association (ETA) distributed generation technology certification program; or an Associate in Applied Science degree from an Illinois Community College Board approved community college program in the appropriate distributed generation technology. To be considered a "qualified person", the experience and/or training relied upon must be with the same type of distributed generation technology for which the qualification status is sought.

**Renewable Energy Credit:** The environmental attributes represented by 1 MWh of electricity generated by a renewable generator.

**Renewable Portfolio Standard:** A law which requires a certain portion of the electricity served by investor owned utilities in a state comes from renewable generation.

**Small DG:** A distributed generation system less than or equal to 10 kW in size.

**Small Subscriber:** A residential or small commercial customer with a subscription below 25 kW. Eligible small commercial rate classes for the investor owned utilities are:

- Commonwealth Edison: "watt-hour delivery class" and "small load delivery class"
- Ameren Illinois: "DS-2"
- MidAmerican: "GE", "GD", "GET", "GDT", "GER", and "GDR"

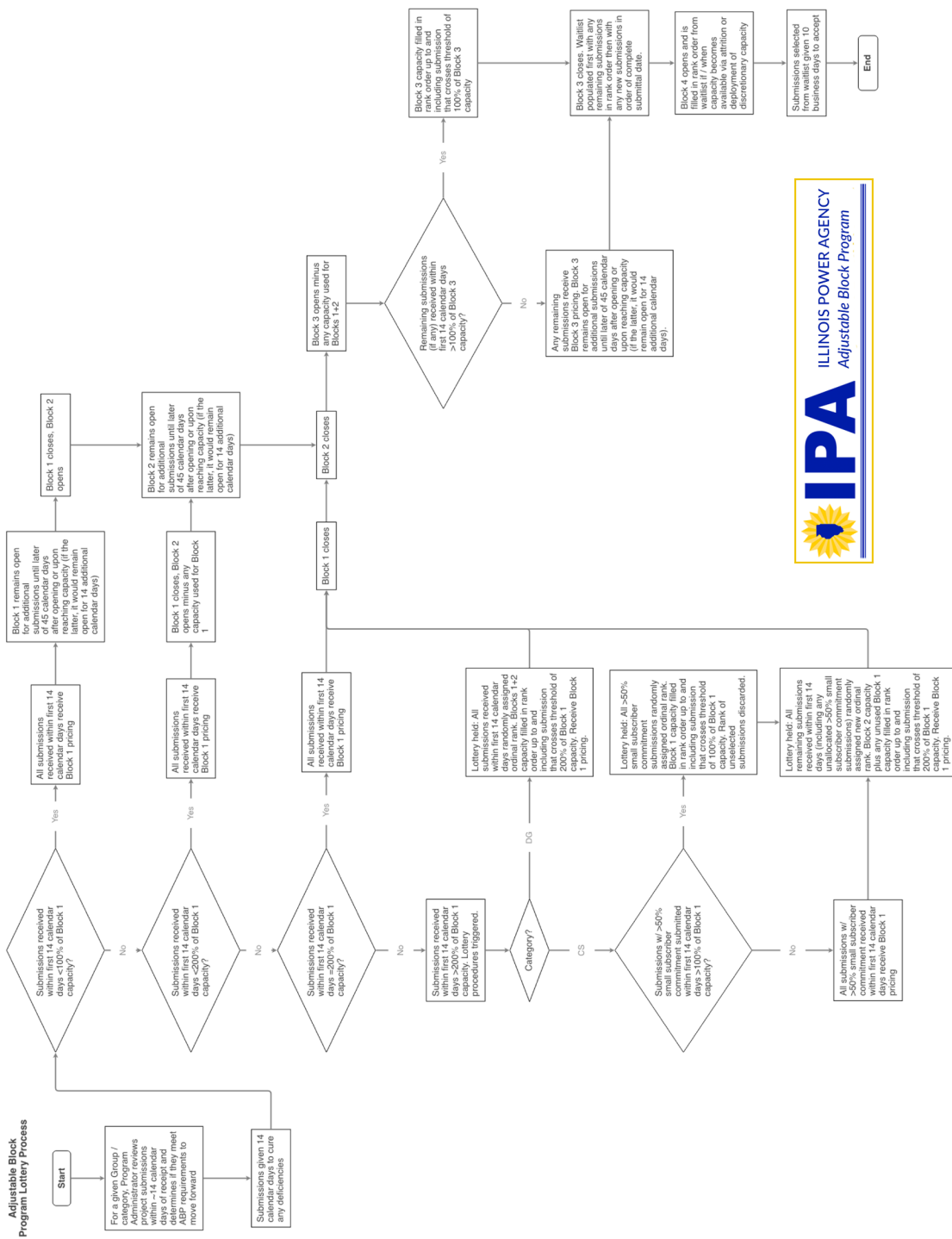
**Standard Test Conditions (STC):** The solar irradiation of one kilowatt (kW) per square meter, a module temperature of 25 degrees Celsius, and an air mass 1.5.

**Community Solar Subscriber:** A person who (i) takes delivery service from an electric utility, municipal utility, or rural electric cooperative, and (ii) has a subscription of no less than 200 watts to a community renewable generation project that is located in the utility's service area.

**Community Solar Subscription:** An interest in a community renewable generation project expressed in kilowatts, which is sized primarily to offset part or all of the subscriber's electricity usage.

**System:** A solar photovoltaic array and all associated equipment necessary for its generation of electricity and connection to the distribution grid. (Same as "Project")

### Section 11: Lottery Process Flowchart



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