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## Block Closing Proposal Request for Stakeholder Feedback

November 3, 2021

### Background

On September 15, 2021, Governor Pritzker signed the Climate and Equitable Jobs Act ([Public Act 102-0662](#)) into law. This Act includes significant changes to the Adjustable Block Program, including provisions for the allocation of capacity for block reopening.

The Illinois Power Agency (“IPA” or “Agency”) is seeking feedback on certain provisions of the law in preparation for opening of additional blocks on December 14, 2021 in compliance with P.A. 102-0662. This feedback will be utilized by the Agency to develop interim requirements for the opening of blocks in December. Such requirements may ultimately be revised and/or modified in accordance with the approval of the Agency’s next Long-Term Renewable Resources Procurement Plan by the Illinois Commerce Commission, which is expected to occur in the summer of 2022.

Public Act 102-0662 outlines various initial blocks of capacity that the Agency must open within 90 days of the effective date of the Act, with future annual block sizes determined through the Agency’s Long-Term Renewable Resources Plan. Through this Request for Stakeholder Feedback, the Agency is seeking feedback on the process by which the Agency will set certain block sizes and the process by which these blocks of initial capacity will close when their capacity is filled.

Under Public Act 102-0662, there are now six categories of project in the Adjustable Block Program:

- (i) Small Distributed Generation
- (ii) Large Distributed Generation
- (iii) Traditional Community Solar
- (iv) Public Schools Projects
- (v) Community-Driven Community Solar
- (vi) Equity Eligible Contractor Projects

Regarding block size upon program reopening, Section 1-75(c)(1)(G)(iv) of the Illinois Power Agency Act states in relevant parts:

*(iv) Notwithstanding whether the Commission has approved the periodic long-term renewable resources procurement plan revision described in Section 16-111.5 of the Public Utilities Act, the*

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Agency shall open capacity for each category in the Adjustable Block program within 90 days after the effective date of this amendatory Act of the 102nd General Assembly manner:

(1) The Agency shall open the first block of annual capacity for the category described in item (i) of subparagraph (K) of this paragraph (1). The first block of annual capacity for item (i) **shall be for at least 75 megawatts of total nameplate capacity.** ...

(2) The Agency shall open the first block of annual capacity for the category described in item (ii) of subparagraph (K) of this paragraph (1). The first block of annual capacity for item (ii) **shall be for at least 75 megawatts of total nameplate capacity.** ...

(3) For opening the first 2 blocks of annual capacity for projects participating in item (iii) of subparagraph (K) of paragraph (1) of subsection (c), projects shall be selected exclusively from those projects on the ordinal waitlists of community renewable generation projects established by the Agency based on the status of those ordinal waitlists as of December 31, 2020, and only those projects previously determined to be eligible for the Agency's April 2019 community solar project selection process. **The first 2 blocks of annual capacity for item (iii) shall be for 250 megawatts of total nameplate capacity,** with both blocks opening simultaneously under the schedule outlined in the paragraphs below. ...

(4) The Agency shall open the first block of annual capacity for the category described in item (iv) of subparagraph (K) of this paragraph (1). The first block of annual capacity for item (iv) **shall be for at least 50 megawatts of total nameplate capacity.** ...

(5) The Agency shall open the equivalent of 2 years of annual capacity for the category described in item (v) of subparagraph (K) of this paragraph (1). The first block of annual capacity SB2408 Enrolled LRB102 11366 BMS 16699 b Public Act 102-0662 for item (v) **shall be for at least 10 megawatts of total nameplate capacity.** ...

(6) The Agency shall open the first blocks of annual capacity for the category described in item (vi) of subparagraph (K) of this paragraph (1), with allocations of capacity within the block generally matching the historical share of block capacity allocated between the category described in items (i) and (ii) of subparagraph (K) of this paragraph (1). The first two blocks of annual capacity for item (vi) **shall be for at least 75 megawatts of total nameplate capacity.**

...

(Emphasis added.)

**Responses to this Request for Stakeholder Feedback should be submitted to the IPA by November 17, 2021. Written responses should be emailed to [IPA.Solar@illinois.gov](mailto:IPA.Solar@illinois.gov) with the subject "Responder's Name - Response to Block Allocation and Closing Feedback Request."**

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In general, responses will be made public and published on the websites of both the [Adjustable Block Program](#) and the [Illinois Power Agency](#). Should a commenter seek to designate any portion of its response as confidential and proprietary, that commenter should provide both public and redacted versions of its comments. Independent of that designation, if the Agency or the Program Administrator determines that a response contains confidential information that should not be disclosed, the IPA reserves the right to provide its own redactions.

## Proposed Approach

In establishing initial block size, Section 1-75(c)(1)(G)(iv) of the IPA Act defines all but one of the categories' initial block size as "at least" a certain minimum size (by contrast, the Traditional Community Solar block size for opening is hard set at a total of 250 megawatts from exclusively waitlisted projects). This flexibility is important as three of the categories (Small Distributed Generation, Large Distributed Generation, and Traditional Community Solar) already feature waitlists of project applications, and the Adjustable Block Program "shall be generally designed to provide for the steady, predictable, and sustainable growth of new solar photovoltaic development in Illinois" pursuant to Section 1-75(c)(1)(K) of the IPA Act. Closing a block shortly after reopening it does not aid in "steady" growth.

In light of the significant waitlists of projects in the Small DG and Large DG categories, the Agency proposes block sizes intended to fully accommodate waitlisted projects as well as to allow for sufficient capacity for new project applications. This capacity is vitally important, as the Agency understands that any subsequent blocks cannot open until after the next Long-Term Plan is approved. Accommodating waitlisted projects would be accomplished by adding the existing waitlist capacity as of November 2, 2021 (to be adjusted downward if any waitlisted applications do not pay the application fee by November 16, 2021) to the 75 megawatt minimum block size for these two categories. The waitlisted capacity to be included in this calculation are for Group A, 15 MW of Small DG (including 2.7 MW of projects greater than 10 kW and no more than 25 kW that will be reclassified from Large DG to Small DG) and 20.3 MW of Large DG; and for Group B, 43.4 MW of Small DG (including 8.1 MW of reclassified projects) and 51.4 MW of Large DG.

As other categories do not feature waitlists, the Agency is not proposing increasing block sizes beyond the minimum size for the new program categories of Community-Driven Community Solar, Public School Projects, or Equity Eligible Contractor Projects.

Block allocations would also be split 30% for Group A and 70% for Group B consistent with the current Long-Term Plan.

Under this proposal, the proposed block sizes would be:

- (i) Small Distributed Generation: Group A: 37.5 MW; Group B: 95.9 MW

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- (ii) Large Distributed Generation: Group A: 42.8 MW; Group B: 103.9 MW
- (iii) Traditional Community Solar (two years): Group A: 75 MW; Group B: 175 MW
- (iv) Public Schools: 50 MW (Proposed breakdown of this capacity can be found in the Agency's recent request for feedback on this topic<sup>1</sup>)
- (v) Community-Driven Community Solar (two years): Group A: 3 MW; Group B: 7 MW
- (vi) Equity Eligible Contractor Projects: Group A: 22.5 MW; Group B: 52.5 MW

The Agency also proposes the following “soft closing” approach that has been previously utilized for when block capacities are filled and blocks are scheduled to close:

1. On the calendar day that an application is submitted whose capacity meets or exceeds the remaining capacity in a block for any given Group, any project applications received on or prior to 11:59 PM Central Prevailing Time that day that exceed the remaining capacity of that block will be selected until a 5 MW cap is reached. For the application that crosses the 5 MW cap, the entire project will be allocated pricing for the current open block, with all subsequently submitted applications placed on an ordinal waitlist. If the application that crosses the 5 MW cap is part of a multiple-project batch in which all projects in that batch are time-stamped as having been submitted at the same time, such that the determination of which individual application in that batch was the one that crossed the 5 MW cap is not possible, the Approved Vendor may select which applications within that batch will be considered as submitted under the 5 MW cap and which of the remaining applications in that batch will be placed on the waitlist for that Group/category.
2. As early as practicable on the following business day after a block's capacity has been met or exceeded by a submitted application, the Program Administrator will post an announcement on the [Updates page](#) on the Program website and email both the Approved Vendors and the ABP mailing list that the capacity for that block was met, on which date it was met, and that all applications submitted after that date will be placed on a waitlist once the application fee for those applications has been received by the Program Administrator.
3. An Approved Vendor that submitted an application(s) and initiated the process to pay the associated application fee after the block of a Group/category has reached capacity, but before the announcement of block closure, may request, within 10 business days after application submittal, removal from the waitlist and a refund of the application fee for the submitted application(s).

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<sup>1</sup> <https://illinoisabp.com/wp-content/uploads/2021/10/Public-Schools-Stakeholder-Engagement-14-Oct-2021-Final.pdf>

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4. Consistent with current practice, an application is considered submitted and eligible for Program Administrator review, as well as eligible to maintain its position on a waitlist, only with the Program Administrator's receipt of the application fee within 10 business days following application submittal.
5. Until such time as the next Long-Term Plan is approved, in the case of newly available capacity resulting from a withdrawal from the Program (such as a project application that had been allocated to a block being found ineligible), an application will be selected off of the waitlist in the order of application submittal, provided that sufficient capacity ahead of that application has withdrawn to accommodate the entire project.
6. As soon as practicable, the Program Administrator will notify an Approved Vendor when a submitted application is selected off the waitlist. The Block Capacity Dashboard on the Program website will be updated daily with the most recent total capacity of applicant projects present on a Group/category's waitlist.
7. Applications that are submitted with payment after the closure of a block has been announced will be added to the waitlist for that Group/category combination in order of application submittal. If a project is accepted off the waitlist prior to a future block opening, it will receive a REC price at the price of the last open block.
8. Procedures for the reallocation of any block capacity, details for accepting waitlisted projects into future blocks, and other decisions related to subsequent blocks (including annual block size and opening date) will be subject to the provisions of the next Long-Term Plan as approved by the Illinois Commerce Commission.

## Stakeholder Feedback Questions

- A. Is the Agency's proposed adjustment to Large and Small Distributed Generation Block sizes sufficient to allow ongoing market activity while still consistent with the legislative intent of block opening sizes and flexibility?
- B. For the other categories (other than Traditional Community Solar, where the split is statutorily mandated), is any split of capacity other than 30% Group A, 70% Group B appropriate? Is there any justification for expanding the initial block capacity of these categories?
- C. Does an additional 5 MW per block for the "soft close" of each category (excluding the block of 250MW for waitlisted Traditional Community Solar projects) constitute an appropriate amount of additional capacity? What other approaches should be considered? Please provide supporting rationale.

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- D. Should the capacity available during the soft close be proportional to the initial capacity of the block? For example, blocks that have lower initial capacity at block opening would have lower soft close capacity.
  - E. Should the agency consider a soft close period that is governed by just a capacity cap (i.e., 5 MW of capacity allotted during soft close, no matter how long it takes for this capacity to fill) rather than governed by time (mirroring previous practice) *and* a set capacity cap (i.e., a set number of calendar days or 5 MW of capacity, whichever may come first)?
  - F. In balancing the steady development of the solar market until additional blocks are authorized to open with ensuring integrity of the statutory allocations between categories, what other considerations should the Agency consider?

### **Next Steps**

Stakeholder feedback received on the proposals discussed herein will be considered while developing guidelines for opening new blocks of Program capacity and may also inform development of the new draft Long-Term Renewable Resources Procurement Plan.

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