

Rationale for Illinois Shines Program Guidebook Changes (Program year 2023-24 Version published April 17, 2023) – April 21, 2023

On March 14, 2023, the Illinois Power Agency (“IPA” or “Agency”) released a draft Program Guidebook with various proposed changes for stakeholder feedback. The Agency received comments from twelve parties and appreciates the thoughtful feedback and time taken to craft the responses. The IPA released the final Program Guidebook for the 2023-24 Program year on April 17, 2023. This document provides an explanation of the major decisions that informed the finalized materials. Both versions of the Guidebook along with past versions can be found here:

<https://illinoisabp.com/program-resources/>.

A. TBD Disclosure Forms and Allowing for Limited CDCS Usage

The Agency proposed to prohibit use of the “To Be Determined” (“TBD”) community solar Disclosure Forms for Community-Drive Community Solar (“CDCS”) projects in the draft Program Guidebook. The creation of a CDCS category within the Program indicates legislative desire to have a greater connection between community solar projects, the communities in which they are located, and the subscribers. The Agency believes that allowing the use of TBD Disclosure Forms – where the Community Solar Provider essentially signs up a subscriber before the Provider has determined which project the customer will be subscribed to – is inconsistent with the spirit of CDCS.

The Agency received one comment requesting that the TBD forms be permitted if an Approved Vendor or its affiliates have multiple CDCS projects in the same area. The Agency is not implementing this suggested policy at this time. The Agency believes the best approach considering legislative intent is to require a process where customers choose the specific CDCS project to which they wish to subscribe. The proposed approach of allowing for TBD Disclosure Forms for select CDCS projects both restricts the projects to which projects a customer could be subscribed and erodes the connection between the subscriber and project. If the total prohibition on TBD forms for CDCS projects proves to create significant barriers to the development of the CDCS Program category, the Agency may revisit this determination in the future.

The prohibition on TBD Disclosure Forms for CDCS projects is also included in the updated Consumer Protection Handbook released on April 17, 2023.

B. Public Lists of Approved Vendors and Designees

The Program currently allows Approved Vendors to choose whether they will be included on the public list of Approved Vendors. The reasoning behind this policy was that many Approved Vendors, such as single-project Approved Vendors and aggregators, may not be accepting customers and/or may not work with customers directly, and therefore including these companies on the public list might cause frustration or confusion for customers using

this list to find an Approved Vendor. In the draft Program Guidebook, the Agency proposed to also allow Designees to choose whether they will be included on the public list of Designees.

A commenter asserted that the names of all Designees and Approved Vendors that participate in the Program should be made publicly available. The Agency has considered this comment and agrees that transparency of all Approved Vendors and Designees operating in the Program is an important consideration. Accordingly, as beneficiaries of a state program, the identity of Approved Vendors and Designees should be made public. Beginning June 1, 2023, the Agency will not allow Approved Vendors or Designees to “opt out” of the public list, and companies that had previously opted out will also be included on the public list.

C. Small Subscriber Definition Clarification

The Agency received multiple comments from stakeholders that objected to the clarifications surrounding community solar subscriptions. Many stakeholders interpreted the Guidebook changes to the small subscriber definition within the Guidebook to be a change in Program requirements and opposed the changes. The Agency has consistently required that to qualify as a small subscriber, all subscriptions for that subscriber must total less than 25 kW, in accordance with the IPA Act. The Agency sees these changes as a necessary modification to clarify the statutory requirements contained within the Act. Section 1-75(c)(1)(e)(ii) of the IPA Act explains that under the terms of the REC Contract, all community solar projects are subject to “a requirement that a minimum 50% of subscribers to the project’s nameplate capacity be residential or small commercial customers with subscriptions of below 25 kilowatts in size.” Furthermore, Section 1-10 of the IPA Act considers the fact that a “subscriber” may have more than one subscription and indicates subscriptions from a single customer or affiliated parent are all part of the same “subscriber.” The Program Administrator recently discovered a number of subscribers – erroneously counted as small subscribers – with subscriptions that exceed 25 kW in sum. Under the provisions of the IPA Act, these subscriptions may not be counted towards the small subscriber requirements for purposes of the REC Contract. Upon a review of this issue, the Agency found that the language of the 2022 Guidebook (as well as previous versions of the Guidebook) did not clearly articulate the statutory requirements and proposed updates to the draft 2023-2024 Guidebook in order to clarify the statutory requirements. In consideration of comments from multiple stakeholders that it may be difficult to ascertain the subscriptions on other community solar projects, the Agency has removed the clarifications proposed within the final 2023-2024 Guidebook. As this requirement rises from the IPA Act itself, the Agency plans to address this clarification in the next iteration of its Long-Term Plan.

D. DC/AC Ratio for Projects with Storage

At this time, the Agency will not change the DC/AC ratio for the Program, including for those systems that are submitted to the Program with solar and storage components. The Agency

recognizes that storage is becoming increasingly prevalent in solar installations, and understands the need for clarity with regard to an acceptable DC/AC ratio for solar projects with storage within the Program. Still, the Agency does not find the alternative ratios provided via public comment compelling and will not adopt any alternative ratio provided.

The allowance for Approved Vendors to submit an appeal of the current 1.55 DC/AC ratio will remain in effect, and any Approved Vendor with a project that requires a DC/AC ratio beyond the 1.55 ratio may request an exception via written appeal utilizing the process outlined in the Guidebook. Such appeals will be reviewed by the Agency as they are submitted, and determinations will be shared with the Approved Vendors. Any project that seeks to incorporate a storage component and requires a higher ratio than what is currently permitted should provide details in the appeal regarding the ratio sought and documentation around why that ratio is needed for that specific project.

The Agency will seek to address storage related items in the next version of its Long-Term Renewable Resources Procurement Plan so that there is sufficient time to both assess the proper DC/AC ratio (along with other Program requirements) for solar projects that have a storage component, as well as to allow for clarity regarding current proposed legislation in front of the Illinois General Assembly.

E. Site Control Change in Signature Requirement

This change was incorporated into the draft Program Guidebook in an effort to provide surety to the Program Administration team as they review site control documentation that all impacted parties are in agreement with regards to site control. In incorporating this change, the Agency did not anticipate the unintended consequences that this change would create for project developers. The Agency received many comments noting the issues this change would cause in the project development process if implemented, so has decided to remove this change in the final Program Year 2023-24 Program Guidebook.

F. Various Public Schools Decisions

On February 8, 2023, the Illinois Power Agency (“IPA” or “Agency”) released a Request for Stakeholder Feedback regarding various outstanding questions that relate to the Public Schools Program category. The Agency received comments from five parties and appreciates the thoughtful responses. The IPA released the final decisions on these items via the finalized Program Year 2023-24 Program Guidebook. Below, the Agency provides an explanation of the decisions that informed the finalized materials.

Land Ownership

In February 2023, the Agency sought stakeholder feedback on a limited number of items related to the Public Schools category and received comments related to the land ownership requirements for the category in the 2023-2024 program year. The Agency did not make changes to the land ownership requirement in the Guidebook for the 2023-2024 program

year. The issue of siting a Public School project was a litigated issue before the Illinois Commerce Commission in the approval of the 2022 Long-Term Plan in Docket No. 22-0231. The requirements on land ownership contained within the [Final Plan](#) and explained within the Guidebook have been incorporated from the Commission's Final Order approving the Plan. The Agency believes that these requirements should be revisited in its next Long-Term Plan, and looks forward to receiving stakeholder feedback on adjustments through that process.

Anchor Tenant

The Agency appreciates all comments received that provide insight into a public school's ability or inability to serve as an anchor tenant for a community solar project in a long-term capacity. As the Public Schools category is relatively new to the Program, the Agency appreciates further insight into barriers to project development for this Program category as it relates to the anchor tenant requirement and beyond.

The Agency has decided to allow for waiver requests from Approved Vendors for changes in circumstances that prohibit the public school or district from acting as an anchor tenant at the original subscription size including, but not limited to: decreased electric load (possibly due to lower than average attendance levels), closure of a school, consolidation of schools, etc. But the public school or district must retain a subscription of at least 10% of the community solar project. The Agency has agreed to consider other reasonable requests for a waiver that are not contemplated here or in the Guidebook on a case-by-case basis.

Additional to this allowance for a waiver from anchor tenant requirements, if a waiver is found to be warranted and is granted, the Agency has decided to disfavor waiver requests that are made within the first four years of a project's Energization. The reason for this is that the Agency wants to encourage mature and thoughtful Public Schools projects that intend to participate in the Program and in accordance with Program requirements for the length of the REC contract.

Finally, the Agency does not adopt the proposal to allow of backfilling a reduction in an anchor tenant's subscription with a subscription from another school or another district in order to meet anchor tenant requirements. The Agency believes the Public Schools category in the Program was developed with the intention to bring solar to public schools throughout the state to reduce the energy burden on public schools. Community solar projects that do not seek to meet the energy needs of the schools and districts which they are designed to serve are understood as outside the spirit of the creation of this category in the Program.