Solar Business Coalition Comments on Draft of 2024 LTRRPP

The Solar Business Coalition (SBC), comprised of solar businesses in Central and Southern IL, appreciates the opportunity to provide input on the Illinois Power Agency's (IPA) Draft 2024 Long-Term Renewable Resources Procurement Plan below relative to the issues that most affect our businesses and customers in the downstate region.

A. Section 7.3.1.1 Group A Oversubscription Challenges

In general, the SBC agrees with the stakeholder comments submitted by the Joint Solar Parties (JSP) on behalf of the broader solar industry, yet is compelled to further stress our concern over the "boom and bust" cycles that have occurred in our region since the launch of the Future Energy Jobs Act (FEJA) in June of 2017. Each year since the program has launched, Group A has experienced shortfalls in both Small and Large DG, while Group B retained unused capacity. While the SBC understands that the 70/30 split of capacity is based on the budget allocations for the renewable portfolio standard (RPS) that both Commonwealth Edison Company and Ameren Illinois Company customers pay into, the six years of program history has shown that basing the split on this factor alone does not support the demand for behind the meter small and large DG projects in Central and Southern IL (Group A territory). Accordingly, the SBC respectfully requests that the IPA consider changing this allocation to avoid the continuance of under allocating capacity in Group A and creating uncertainty and instability in the growing solar market in Illinois.

With the passage of the Climate and Equitable Jobs Act (CEJA) and the State of Illinois 40% RPS goal by 2030, the SBC would like to ensure that the State hits the goals set by legislators while creating market certainty for employers, employees and customers of the robust solar energy industry in Illinois. Companies operating in Group A have continually faced REC allocation depletion well ahead of schedule (and associated uncertainty of pricing for the new blocks), which leads to uncertainty and instability for our businesses and customers. Most SBC members have been in the solar industry since or prior to the launch of FEJA and need the market stability experienced in northern Illinois in order to continue to grow and provide certainty for our downstate workforce.

Because ongoing waitlists have carried over since the launch of FEJA in June of 2017, each year the capacity allocated to Group A is depleted faster than anticipated due to waitlist netting. This year, Large DG was depleted 41 days after opening because 32 MW of the 40 MW allocated was filled from the waitlist. As of October 3rd at the latest, Small DG in Group A will also be depleted. This leaves all of Central and Southern

Illinois with no capacity, no certainty of pricing, market instability, and concerns over how customers will be modeled in the interim (a consumer protection issue).

The SBC offers the following recommendations to address the capacity “boom and bust” cycle and encourage a robust solar market across the entire state:

1) The SBC appreciates the IPA’s Option 1 to alter the 70-30 split between Group A and Group B. It is SBC’s understanding that the IPA has the authority to alter the 70-30 split. Maintaining a 70-30 split in the first LT Plan is understandable; however, revisiting the split (with agility and flexibility in response to market indicators) is necessary to ensure that neither of the DG blocks sell out quickly while capacity lingers in one group or the other. The SBC recommends a 50/50 distribution of small and large REC capacity across both Groups as an initial directional improvement of this issue. Additionally, and to address the immediate Small and Large DG capacity depletion in Group A, the SBC recommends that the IPA act swiftly within its power to redistribute 50% of remaining capacity in Group B Small and Large DG to Group A Small and Large DG in the current program year.
2) Allocate any excess capacity in the Small and Large DG blocks of Group B that has been underutilized each year to fill the waitlists for the Small DG and Large DG blocks of Group A at the end of the program year, or vice versa if needed. The applicable REC pricing in such situations should be the same as it was in the expiring program year for each Group.
3) In situations where all available capacity in the Small DG or Large DG blocks are utilized and a waitlist is necessary, it is imperative that installers have some assurances regarding the REC prices that will apply to those projects on the waitlist. The SBC recommends that the IPA adopt a maximum percentage REC price decline for waitlisted projects. For example, if in any given program year the Small DG REC price is $70 and the established maximum percentage decline is 4%, Small DG projects on a waitlist would receive a REC price that is no less than $67.20. The final REC price in the subsequent program year may be higher than $70 or a decline may only be 2%, but for modeling purposes, installers attempting to sell projects and customers considering investing in a project when a waitlist is in effect will have some degree of certainty regarding the potential “worst case scenario” REC price that a waitlisted project may receive in the forthcoming program year.

B. Section 7.3.2 Timing of Annual Blocks

The IPA requests feedback on a proposal to partially close the Program from May 1 to June 1 annually, in order to prepare for each new Program Year. The SBC does NOT support this. The Program Administrator knows the requirements of what they are expected to do when transitioning from one program year to the next and should be prepared to do so. As an example, when the ABP launched in June of 2017, applications from Approved Vendors/Designees were not able to be accepted until January of 2018. When the application window did open, Approved Vendors/Designees were given two weeks to complete the uploads of all applications and required supporting documents. Furthermore, Approved Vendors/Designees were given changes to contract language that also had to be expeditiously addressed with customers. Approved Vendors/Designees all had to strategically plan and work overtime to complete the work required of us in the time that was specified. Accordingly, the SBC believes that the Program Administrator should be prepared to do the same.

C. Section 10.4 Data Collection and Reporting

The SBC recognizes the responsibility that was placed on the IPA to implement the important equity provisions in CEJA. The SBC also supports these provisions and overall equity and inclusion in our workforce. With regard to the workforce reporting and compliance requirements, the SBC maintains that such requirements should acknowledge and align with when student cohorts are expected to graduate from the workforce hubs. The majority of the existing qualified workforce training programs are in Northern Illinois, which makes compliance with the equity provisions and continuity of employment (for both job candidates and employers) more challenging downstate. Furthermore, the expiration of qualified trainee status in the Illinois Solar for All Program exacerbates this issue even further, as trainees who graduated from the only job training pipeline program downstate meet and exceed their 3-year qualification window threshold.

In closing, the below signing SBC members would like to thank the IPA for soliciting stakeholder comments and for reading and considering our input. These opportunities to be involved in the process afford all Illinois solar industry stakeholders to be considered, and for that we are most grateful!

Sincerely,

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