

November 22, 2024

Illinois Power Agency
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Prologis Feedback on REC Price Cost Collection

We appreciate the opportunity to participate in the Illinois Power Agency's REC Price Model Cost Inputs Request for Stakeholder Feedback. We believe input from project developers is critical in meeting IPA's objective of setting REC prices that "provide the appropriate incentives to spur the development of new distributed photovoltaic generation and community solar projects in Illinois."

Prologis is the largest logistics real estate owner globally, with over 1.2 billion square feet of warehousing and distribution space. Our large, flat rooftops have enabled us to build out commercial solar installations to serve onsite and offsite load with clean energy and battery storage, helping our customers reduce their emissions and benefitting communities by offering access to renewable energy and improved grid resilience. To-date, we have deployed over 500 MW of solar and battery storage assets across our global portfolio, with a goal of 1 GW by the end of 2025. And we have been active in Illinois' community solar program since 2022.

Based on our data, experience, and expertise, we are providing the feedback below in response to IPA's REC Price Model Cost Inputs request dated October 31, 2024.

"Feedback Request #4: The Agency is requesting feedback on whether there are input assumptions important to the REC Price Modeling process not listed above which should be collected for use in the 2025-2026 Program Year REC price update."

Rooftop solar uniquely utilizes existing infrastructure, reducing the need for additional land use and preserving open spaces. It is also typically built closer to where the energy is ultimately used. Rooftop solar can be deployed more quickly to help the state achieve its goals by avoiding much of the permitting that is otherwise required for ground-mounted solar.. As the Illinois Power Agency has highlighted, rooftop solar plays a critical role in maximizing the potential of urban and industrial spaces for clean energy deployment, aligning with state goals for sustainable development.

In its REC price modeling, Prologis encourages the IPA to consider that rooftop solar assumptions are often different from similarly-sized ground-mounted solar projects. Therefore, in its data collection efforts, the IPA should seek to clarify whether gathered data is for ground-mounted or rooftop solar projects. Some key differences include:

- Operating term is shorter: rooftop projects are limited by anticipated roof life of a roof membrane, typically a maximum of 20 years
- Yield is lower: 10 degree fixed tilt systems aligned with azimuth of building, versus ground-mounted trackers aligned due south
- Lease rate is higher: than the \$5/kWdc specified "land lease rate"

- Build cost is higher: 2MW built on a rooftop is more expensive per watt than 2MW built on the ground.

Separately, Prologis encourages a reflection on two key previous assumptions that have changed since the prior plan was adopted.

- Interconnection costs have been higher and less consistently approved than in the past
- Inflation Reduction Act ITC adders – these may be imminently repealed or phased out by the federal government

Prologis appreciates the IPA's thoughtful approach to setting appropriate incentives for solar development in Illinois. Please do not hesitate to contact Grant Klein, Manager of Community Solar Solutions, at gklein@prologis.com or 303-567- 5150, or Paul Augustine, Director of Energy Policy, at paugustine@prologis.com or 415-733-9477 for more information or to discuss further.

Respectfully submitted,

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