

From: [Michelle Knox](#)
To: [IPA.Solar](#); [Illinois Shines Program Administrator](#)
Cc: [Kara Blankenship](#)
Subject: [External] WindSolarUSA- Feedback on REC Price Cost Collection
Date: Wednesday, November 20, 2024 4:26:59 PM

Feedback Request #1: The Agency is interested in stakeholder feedback on the proposed two-phase approach to cost data collection described below. In particular, a) do stakeholders believe this approach will provide the Agency the sought after data on Illinois-specific costs that will improve the precision of the REC pricing model, b) do stakeholders feel the timeframes described are feasible for Approved Vendors and Designees to provide the requested data, and c) are there additional considerations that stakeholders wish to convey to the Agency related to cost inputs to the REC Pricing Model?

- a) I think the data listed makes sense for consideration when determining REC prices.
- b) It is a short turnaround time, but as long as you are looking for an overall cost approach (not project specific), I think it is doable.
- c) The program and application process is already cumbersome. Please try to keep the additional inputs needed for this work to a minimum and do not hold project applications' payments being processed up over this information not be entered correctly in the first year of implementation.

Feedback Request #2: The Agency is requesting stakeholder feedback that provides any potential advantages and/or disadvantages of having Approved Vendors provide cost data for projects on a per watt DC versus a per watt AC basis.

I think the data should be collected on a DC cost per watt basis as that is how most of us do it in the industry.

Feedback Request #3: The Agency is requesting stakeholder feedback on the following proposal for cost data to be collected, specifically if cost data should be collected utilizing the NREL Cost Categories or only the CREST Cost Categories. The Agency is also requesting input on whether the explanations of categories are sufficient or if additional guidance is required to provide clear and accurate data. If further explanations are necessary, please provide detailed recommendations clarifying what explanations are needed.

Specifically, the Agency uses the following cost categories from the NREL benchmark report:

- A Module
- B Inverter
- C Structural Balance of System
- D Electrical Balance of System
- E Installation Labor
- F Permitting, Installation and Interconnection
- G Sales Tax
- H Sales & Marketing (Customer Acquisition)
- I Overhead (General and Administration)
- J Net Profit

In regards to the above, I do not think the last three inputs should be included as they are subjective based on the company's ability to generate leads through referrals and other organic opportunities, keep costs down by working remote/staffing with highly effective people, and negotiating deals with vendors to get products at the best price possible. Everything else are hard costs that vary from jurisdiction to jurisdiction, but are still tangible items. I believe

collecting the data on an annual basis versus as part of the Part !! application is a better idea to avoid more work on the application side of things.

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.

I have not seen anything that accommodates for the loss of net metering in Illinois. I would think this should be a consideration when determining REC prices as the rebate guidelines do not seem to be defined enough to create confidence in terms of how often and for how long the utility can access/use a customer's inverter and/or storage. With Illinois having such aggressive goals for renewable growth, that we are working hard to meet but still not on target, the last thing that is needed is a chill to the market that means less projects are getting built and going towards those objectives.

Thank you for your consideration of my input and for the efforts that are always put forth by the IPA to gain input from participants!

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Best Regards,

Michelle

Michelle Knox, Founder

WindSolarUSA, Inc.

ph. 217.825.4206

michelle@windsolarusa.com

www.windsolarusa.com