

Stakeholder Feedback Request for the 2024 IPA Long-Term Plan

Chapter 7: Illinois Shines (Adjustable Block Program)

TOPIC 2: CS Small Subscriber Limit at 25kW Across All Projects in the Program

Background

Section 1-75(c)(1)(G)(iv)(3)(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, the definition of “Subscriber” contained within Section 1-10 of the IPA consider the fact that a single customer may have more than one subscription and that multiple subscriptions are all part of the same “subscriber.” To qualify as a small subscriber, the Agency has consistently required that combined subscriptions for that subscriber must total less than 25 kW, in accordance with the IPA Act. The Agency sees this requirement as necessary in order to effectuate the statutory requirements contained within the Act.

To clarify this requirement, the Agency proposed adding the following language to the Program Guidebook in a draft released on March 14, 2023: To be considered a small subscriber in the Program, the utility account number associated with the subscription may not sum to larger than 25 kW AC across a single or multiple Community Solar projects, if multiple subscriptions exist for the associated utility account.

Multiple stakeholders objected to this clarification, and commented that it may be difficult to ascertain whether a customer has subscriptions to other community solar projects. In light of these concerns, the Agency removed the above clarification proposed within the 2023-2024

Guidebook and noted that the issue would be addressed in this next iteration of the Long-Term Plan.

Questions

- 1. What are other ways that the IPA can ensure compliance with the statute?*
- 2. What challenges do AVs and Designees face in determining whether a single utility account sums to over 25kW across the Program, to ensure the customer would be considered a small subscriber? Please explain in detail so the Agency might understand how to address these challenges.*
- 3. What information can the customer’s distribution utility provide back to Avs and Designees through their community solar portal or other means to identify whether the customer already has one or more community solar subscriptions?*

Response Comments

While not disputing the IPA's legal analysis, Ameren Illinois notes that it views limits like these as being tied to individual generation facilities and not the aggregate of community solar facilities to which an individual customer might subscribe.

As a practical matter, Ameren Illinois notes that the PUA makes community solar service available throughout the state, including areas served by electric cooperatives and municipal electric systems. In order to determine compliance with the restriction as outlined above, developers would need information from the state's three larger investor-owned utilities, and from each of the state's 60+ electric cooperatives and municipal electric systems.

The Company believes that materiality should be considered as well. The "typical" Ameren Illinois residential customer uses 10,000kWh annually, resulting in a current annual bill, including taxes and other charges, of ~\$2,000. Using an 18% production factor and the current Price to Compare, a subscription to 25KW of community solar output will produce over \$4,700 annually. Since "banked" excess net metering credits cannot be converted to cash, and even assuming generous increases in usage, it appears that most residential customers will have no financial incentive to contract for subscriptions of 25KW.

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TOPIC 7: DC/AC Ratio & Other Requirements for Projects with Storage

Background Systems are currently limited to a DC capacity of 155% of the AC capacity.

Recently, the Program has received several appeals requesting exceptions to this threshold from AVs developing projects with storage components.

Questions

- 1. Is a different DC/AC ratio more appropriate for distributed generation systems paired with storage and, if so, why? Please provide technical analysis supporting your position or studies/research that can be referenced.*
- 2. What other Program requirements should be amended to support systems with storage components? Please provide details on the requirement that should change, how it should change, and why it should be different for systems with storage components.*

Response Comments

The Company takes no position on whether the Agency should change the DC/AC ratio for inverters. Instead, it observes that the Agency's decision in this matter will affect the total available project revenue stream that the Agency uses in determining REC values, which the Agency is to consider when it identifies all available revenue streams and incentives to calculate the price of administratively established REC values.

Ameren Illinois' inverter rebate process assumes the IPA's 155% limit for purposes of determining eligibility for a rebate, reasoning that the rebate has to be tied to the same equipment that is used to create the RECs for the project. If the DC/AC ratio is increased for facilities that incorporate storage devices, then the total rebate available to those projects will also increase. Also, the increase in the DC/AC ratio will also increase the available kWh for subscriptions, which will correspondingly increase subscription fee revenues for community solar developers.

The Company further notes that while the Illinois Commerce Commission will launch a proceeding in June 2023 to review the factors that should be used to determine the benefit that these facilities provide to the distribution grid and any changes needed to the value of the smart inverter rebate to recognize these benefits, the PUA establishes a base rebate of no less than \$250/KW-DC for these facilities regardless of their actual value to the distribution system. Additionally, unlike rebates tied to the nameplate capacity of renewable generators (i.e. a maximum of 5MW of aggregate generation nameplate capacity for each billing Premises that features renewable generation), there is no similar aggregate Premises-based storage capacity nameplate limit.

So, increasing the DC/AC inverter ratio will correspondingly increase the inverter rebate and subscription fees available to developers of these facilities, even if they don't include any storage devices. Incorporating storage devices with community solar facilities will expand the smart inverter and subscription revenue streams available to developers of these facilities.

Please email me if you have any questions about these comments.

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