Stakeholder Feedback Request for the 2024 IPA Long-Term Plan
Chapter 8 – Illinois Solar for All

TOPIC 3: Distributed Generation Sizing

Background

The Agency recognizes growth in electrification incentives and efforts to promote the replacement of fossil fuel reliant technology with renewable energy reliant technology. Electrification may increase electricity consumption, thus creating demand for higher electric production to offset the increased demand. Federal incentives included in H.R. 5376 (known as the "Inflation Reduction Act" or "IRA") such as electric vehicle, heat pump and other electric appliance purchases are initial steps toward widespread future 4 electrification. At the same time, electrification incentives are still being finalized and are not yet widely available to Illinois income-eligible residents. As a common industry best practice, the Agency believes that energy efficiency and electrification efforts should be done prior to development and installation of a distributed generation system so that the system can be properly sized to a customer's actual usage, rather than an estimated usage that is guessing the additional electricity costs of equipment not yet installed or purchased. While there are industry standards for estimating the impact on a customer's bill, in actuality there is a wide variance in the actual impacts due to a wide variety of contributing factors unique to each customer's residence/building and the equipment that is used. The Agency remains determined to ensure proper use of ILSFA program funding and finding a balance in the sizing of ILSFA projects that acknowledges the potential for future electrification, but is not oversized to a point where the customer is unable to utilize the credits generated from the system, which would be a waste of Program incentives that could be utilized with other eligible customers. The Agency proposes setting sizing limits on projects based on the percentage of current electricity usage:

- *Residential (Small and Large) Solar: 150 percent limit of recent 12 consecutive month usage*
- *Non-Profit and Public Facilities: 110 percent limit of recent 12 consecutive month usage*

Questions

1. Should the proposed caps on the sizing of a Distributed Generation systems in the ILSFA program be higher or lower?
2. To what extent should potential electrification efforts be considered in the calculation of Distributed Generation sizing caps? Are there any additional considerations the Agency should be aware of in its oversizing determinations?
3. To what extent should specific electrification plans be in place for the customer to justify an oversized system? What timeline of electrification
4. Should the Agency allow for projects to be over the proposed limits on a case-by-case basis? If so, what requirements and/or proof should be required for projects that want to exceed the limit (i.e., written proof of plans and/or purchases of new or upgraded electrical systems)?

Response Comments

Ameren Illinois urges the Agency to be cognizant of, and consistent with, the Public Utilities Act's (PUA) directive on generator oversizing as well as approved utility tariffs that comply with the PUA's directives. The relevant section of the PUA is shown below:

```
(220 ILCS 5/16-107.5)
    Sec. 16-107.5. Net electricity metering.
(b) As used in this Section, … (ix) "future electrical
requirements" means modeled electrical requirements upon
occupation of a new or vacant property, and other reasonable
expectations of future electrical use, as well as, for occupied
properties, a reasonable approximation of the annual load of 2
electric vehicles and, for non-electric heating customers, a
reasonable approximation of the incremental electric load
associated with fuel switching. The approximations shall be
applied to the appropriate net metering tariff and do not need
to be unique to each individual eligible customer. The utility
shall submit these approximations to the Commission for review,
modification, and approval.
```

To comply with this provision, Ameren Illinois filed and received approval of language in its net metering tariff that leaves generator sizing up to the respective customers.

Ameren Illinois Company
d/b/a Ameren Illinois
Electric Service Schedule Ill. C. C. No. 1

Ill. C. C. No. 1
4th Revised Sheet No. 24.002
(Canceling 2nd Revised Sheet No. 24.002)

RIDER NM – NET METERING

* **FUTURE ELECTRICAL REQUIREMENTS**
Future Electrical Requirements means modeled electrical requirements upon occupation of a new or vacant property, and other reasonable expectations of future electrical use, as well as, for occupied properties, a reasonable approximation of the incremental electric load associated with fuel switching. Customers will have discretion and flexibility to determine their future electric power and energy requirements. The Company will neither require Customers to make that determination as a part of their net metering application, nor condition continued eligibility for net metering on system sizing linked to any determination of the Customer's future electric power and energy requirements at the time of an initial net metering application.

Rather than impose generator sizing mandates, the Agency might better achieve its goal of maximizing the ILSFA programs funds by assigning higher REC values for applicants who can demonstrate that they've implemented an energy efficiency and/or beneficial electrification project.

The Company further notes that participating in beneficial electrification programs might actually increase an applicant's annual electric usage, and the need for more renewable generation.

Stakeholder Feedback Request for the 2024 IPA Long-Term Plan
Chapter 8 – Illinois Solar for All

TOPIC 4: ILSFA Community Solar Subscription Sizing

Background

In preparation for the future, the Agency is interested in feedback surrounding electrification and how it should be considered in ILSFA subscription sizing determinations. See Topic 6: Distributed Generation Sizing for additional background on electrification. Prior to changes to net metering enacted through Public Act 102-0662 (The Climate and Equitable Jobs Act) community solar credits were limited to a customer's supply charges only, and the Agency considered community solar subscriptions in relation to a customer's current usage, with the intention of offsetting the electric supply costs of the customer's usage, as opposed to the delivery charges and other usage costs. With 1 Reasonable considerations will be made where customer does not have consecutive 12 months at current residence. 2 Reasonable considerations will be made where customer does not have consecutive 12 months at current residence. 5 tariff changes implemented to conform with Public Act 102-0662, community solar credits may now be applied to both supply and delivery costs for ComEd customers currently, and by late 2023 for Ameren. Section 1-10 of the IPA Act defines the term "subscription as, "[…] an interest in a community renewable generation project expressed in kilowatts, which is sized primarily to offset part or all of the subscriber's electricity usage." With previous tariff limits determining that credits could only apply to supply charges, the Agency has thought of a customer's community solar subscription as tied to offsetting a customer's supply charges. With these changes, the Agency is considering how available community solar capacity can best be utilized, with a balance between providing greater bill reductions for participants, and serving more eligible participants with opportunities to benefit from Program savings. Similar to Distributed Generation, the Agency proposes setting sizing limits to subscriptions in the case of Community Solar. The Agency notes that, unlike an installed distributed generation system, a community solar subscription may more easily be adjusted. See below for the Agency's recommendations. • Community Solar Subscriptions (Individually based): 110 percent limit of recent 12 consecutive month usage3

Questions

1. . Should Community Solar subscribers be allowed to subscribe to a greater number of kWh th anticipated usage?

2. . If tariffs now allow credits to be applied to charges beyond the electricity supply charge should the Agency consider a different subscription limit based on the kWh used? If so, what would that recommended limit look like?

Response Comments

The Company has no position on whether the Agency should cap subscription sizes. It offers the following as background to assist the Agency in developing its position on this issue.

With the change in the applicability of community solar monetary credits to the customer's total charges for electric service, taxes and other charges as they appear on an Ameren Illinois-issued bill, subscription compensation has become de-linked from usage, and this de-linkage is greater for customers billed using either the dual bill or single bill option. Additionally, while usage can vary substantially on an annual basis and create substantial challenges to correctly sizing subscriptions, the total bill value approach introduces more billing determinants and more associated variables to calculating the correct sizing of future subscription amounts.

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

Peter Millburg

Peter Millburg :: he/him/his :: Senior Manager, Regulatory Compliance :: C 217.381.6641
Ameren Illinois :: 200 W. Washington, Springfield, IL 62701