

To: Illinois Power Agency

From: Members of the Renewables Subcommittee, IL Clean Jobs Coalition

Re: Illinois Power Agency Requests Stakeholder Feedback for 2024 Long-Term Plan

Development - Chapter 9

Date: June 16, 2023

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The Renewables Subcommittee was convened to help implement CEJA as envisioned by the Illinois Clean Jobs Coalition ([ICJC](#)). Our focus includes renewable programs and procurements, with a particular interest in ensuring the IPA helps facilitate the attainment of the state's renewable portfolio standards while also meeting its equity goals. The ICJC is made up of environmental advocacy organizations, businesses, community leaders, consumer advocates, environmental justice groups, and faith-based and student organizations working together to improve public health and the environment, protect consumers, and create equitable, clean jobs across the state.

The below-signed members of the Renewables Subcommittee thank the IPA for an opportunity to provide input on the Long-Term Renewable Resources Procurement Plan (LTRRPP). Please do not hesitate to contact us with questions or comments.

Signatories include:

Central Road Energy LLC

Faith in Place

Illinois Environmental Council

Sierra Club Illinois

Vote Solar

Union of Concerned Scientists

## Chapter 9: Consumer Protection

### TOPIC 4: Assisting Stranded DG Customers

Background - The IPA has observed an increase in “stranded” customers – distributed generation customers whose Approved Vendor and/or Designee goes out of business or is otherwise unable or unwilling to complete a project and/or submit a project application to the Program. So far, this issue has only been observed in Illinois Shines, and not in ILSFA. The Illinois Shines Program Administrator has developed a “shortlist” of Approved Vendors and Designees who have indicated their interest in helping stranded customers, and who meet elevated eligibility criteria (including having successfully applied at least 20 projects to the Program, no recent disciplinary actions, etc.). The Program Administrator is helping connect stranded customers with companies on the shortlist. However, the IPA is concerned that this shortlist will not be sufficient to meet the demand of stranded customers. The IPA is interested in feedback on various ways of either encouraging more Approved Vendors and Designees to assist stranded customers, or to develop alternative paths for Program participation for stranded customers in both Illinois Shines and ILSFA.

#### Questions

*9. What other approaches to assisting stranded customers should be considered?*

We find it difficult to respond to these questions when we do not understand the magnitude of the problem. To what percentage of projects has this occurred? How many AVs does this involve? The program will be stretched thin if it tries to address every possible contingency so we'd like to better understand the scope of the problem. This response applies to multiple topics in this chapter as well. We'd like to better understand the scale of the issue before weighing in, or perhaps reserve this space for those already heavily involved with consumer protections.

## TOPIC 5: Escrow Process for REC Incentive Payments

Background - In Illinois Shines, many Approved Vendors use a model for Distributed Generation project purchases where the Approved Vendor promises to pass through some or all of the REC incentive payment to the customer after it is received by the Approved Vendor. The IPA has seen instances where Approved Vendors have failed to comply with their promise to pass through the payment. Even where there is a known risk, the IPA is unable to stop REC incentive payments from the utility to the Approved Vendor on existing contracts. The Program Administrator may suspend an Approved Vendor for Program violations, but this does not affect the validity of existing contracts between the Approved Vendor and the utility. The IPA could develop an escrow process—to be triggered only in the case of egregious consumer protection concerns, and only when part of the REC incentive payment has been promised to the customer—under which REC incentive payments would be paid by the utility to an escrow agent. The escrow agent would then pass through the appropriate amount to the customer and to the Approved Vendor, based on the terms of the contract between the customer and Approved Vendor. This would ensure that the Approved Vendor could not misappropriate the funds.

### Questions

*10. How would an escrow agent determine the appropriate disbursement of REC payments if the Approved Vendor and customer disagree?*

Same response as above. We would like to better understand the scope of the problem before weighing in with potential solutions. We welcome additional information and data that will help us understand the prevalence of abuse on these issues.

## TOPIC 8: Approval Process for IL Shines Designees

Background - Under current Illinois Shines requirements, Approved Vendors must submit applications and receive explicit approval by the Program Administrator before participating in the Program. In Illinois Shines, Designees must simply register with the Program and do not need to receive explicit “approval” from the Program Administrator. As the Programs have continued to grow, it has become clear that Designees often have more contact with customers than do Approved Vendors. Some Approved Vendors operate as “aggregators,” and their role is limited to the administrative side of the Program— submitting applications and administering the REC contract with the customers. These aggregators generally do not perform marketing, sales, or installation activities, and may not have any direct contact with customers. The 2022 Consumer Complaint and Disciplinary Actions report showed that for Illinois Shines, about 72% of complaints were against a customer’s Designee, while only 26% were against the customer’s Approved Vendor. To date, the Agency has not created more stringent requirements for Designees to participate in the Programs because of stakeholder feedback that this would create a barrier. However, the Agency does not want to ignore the continuing trend of a majority of complaints being against Designees, and the fact that Designees are often customers’ primary contact with the Program.

### Questions

*4. If additional requirements are created for Designees, should there be a distinction between Designees that are directly linked to an Approved Vendor account and “nested Designees” (which are Designees subcontracted by another Designee)? If so, what differences in requirements would be appropriate?*

We propose that Approved Vendors (AV) be held responsible for managing and actively supervising their Designees (including nested Designees) and ensuring compliance with all Program requirements. The burden should not be on the program administrator or IPA to further vet Designees. In the Illinois Solar for All program, Approved Vendors that work with or use Designees are required to have and follow a Designee Management Plan. We believe this requirement should be extended to the Adjustable Block Program. Should the program receive complaints about a Designee, penalties should be administered to both the AV and the Designee. The severity of the AVs penalties could relate to their adherence to their Designee Management Plan. At a minimum, an AV should be required to update their plan to address how the infraction that occurred will be avoided in the future.