

US Solar – Feedback re LTP Chapter 7 (Illinois Sines)

Dear IPA,

US Solar respectfully submits this feedback regarding the IPA's June 8, 2023, request for stakeholder feedback on the 2024 IPA Long-Term Plan. As an active developer of distributed generation and community solar projects under the Illinois Shines program, we based these comments on our experience in Illinois and several other states.

Chapter 7: Illinois Shines (Adjustable Block Program)

Topic 1. Expansion Pricing Resulting in Negative Incentives Levels

No comment at this time.

Topic 2. CS Small Subscriber Limit at 25kW Across All Projects in the Program

As the IPA notes in its request for feedback, the IPA previously proposed a change to the Program Guidebook language regarding the small subscriber requirements for community solar projects on March 14, 2023. US Solar provided feedback on that proposal in our April 3, 2023, comments. and would reiterate those comments again here.

In its current June 8 request for comments on this topic, the IPA stated, "the Agency has consistently required that combined subscriptions for that subscriber must total less than 25 kW, in accordance with the IPA Act." We don't believe that is an accurate statement. To the contrary, we have received communication from the agency on several occasions clarifying that subscribers *can* have multiple subscriptions of 25 kW across multiple community solar gardens and still comply with the small subscriber requirements, as long as the subscriber did not have subscriptions totaling more than 25 kW to any single project. For example, we were explicitly told by the prior administrator on November 18, 2019 that the ABP did not aggregate affiliated small subscribers across multiple projects for the purpose of the 25 kW limit. This was again confirmed in an email conversation with the administrator on April 14, 2022:

Hi Nathan,

A single utility account may have multiple subscriptions to different community solar projects. Additional requirements applicable to community solar subscriptions may be outlined in applicable utility tariffs. (p. 15 of the [Program Guidebook](#)).

If these projects are separate applications (i.e. independently metered, separate subscriber portals, etc), then they would still be considered small if placed in the two projects as separate subscriptions. Additionally, each subscription needs a disclosure form. As a reminder, the definition of a small subscriber is explained on page 16 of the Guidebook.

Please let me know if you have any further questions.

Best,
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The IPA further advertised the policy that a small subscriber could not have multiple subscriptions cumulating in more than 25 kW in an *individual* community solar garden in its January 13, 2023 program announcement (which implied that the clarification would apply to all future subscriptions and reports).¹

To be considered a Small Subscriber for these purposes, the subscription or sum of multiple subscriptions **to each individual Community Solar project** under one utility account may not exceed 25 kW AC. . . . The Program Administrator will review subscriptions to confirm that customers with multiple subscriptions on the same utility account which exceed 25 kW in cumulative size **on a single project** will not be counted as Small Subscribers for purposes of meeting Program requirements related to subscription levels and calculation of REC price adders for the next quarterly invoicing period following this announcement (i.e., the March-May 2023 invoicing period). Review of future quarterly community solar reports will follow this protocol with respect to multiple subscriptions and will continue to include the verification of rate class of any subscriptions used to fulfill Small Subscriber requirements.

In the feedback request, the IPA relies on statutory interpretation of what it means to be a subscriber. As outlined in the feedback request, all community solar projects are subject to “a requirement that a minimum 50% of subscribers to the project’s nameplate capacity be

¹ <https://illinoisabp.com/wp-content/uploads/2023/01/Jan-13-ABP-Announcement-final-for-publication.pdf>
(emphasis added)

residential or small commercial customers with subscriptions of below 25 kilowatts in size.”²
“Subscriber” is defined elsewhere in statute:³

“Subscriber” means a person who (i) takes delivery service from an electric utility, and (ii) has a subscription of no less than 200 watts to a community renewable generation project that is located in the electric utility's service area. No subscriber's subscriptions may total more than 40% of the nameplate capacity of an individual community renewable generation project. Entities that are affiliated by virtue of a common parent shall not represent multiple subscriptions that total more than 40% of the nameplate capacity of an individual community renewable generation project.

This definition clearly spells out how an individual subscriber’s subscriptions should be counted regarding the 40% capacity limit to individual gardens but does not specifically prescribe an interpretation as to the 25 kW small subscriber requirements. It is therefore up to interpretation as to whether multiple subscriptions across multiple projects would determine if there a subscriber could be considered small. While the IPA’s new interpretation could be reasonable, so is an interpretation that when solely looking at the 25 kW requirement under Section 1-75 that the “subscriptions of below 25 kilowatts in size” is referring only to “the project”. In fact, that is the interpretation that has been applied by the IPA and Administrator to date.

If the IPA were to modify their interpretation and the resulting policy to disallow subscribers to have multiple small subscriptions across multiple gardens, the rule should not apply retroactively. In would be a massive change to the requirements and would have significant impact to the way community solar subscriptions are handled across the program. Any retroactive effect would have vast negative consequences, harming subscribers who have signed multiple 25 kW subscriptions (albeit only one per community solar project) as is currently allowed by the rules, and as clarified in the IPA’s January 2023 program update.

Taken at face value, this new proposed change would require community solar operators to somehow terminate legally enforceable long-term subscription contracts that complied with all program requirements at the time said contracts were executed. We believe adequate justification is warranted for the level of change proposed as it would have the effect of invalidating mutually negotiated contracts between subscribers and subscriber organizations entered into in compliance with the existing rules.

There are also practical and workability concerns with the new proposal, as there is currently no way to for a subscriber organization to confirm whether a a given potential customer already has an existing subscription to a community solar project operated by another subscriber organization. It would not be right to penalize the subscriber organization for something that would require subscribers to accurately identify and notify the subscriber organization of their existing accounts. Subscriber organizations cannot trust that customers are going to know or tell us that they have existing subscriptions when they contact us about signing up for a subscription to one of our gardens. Greater transparency either on the portal side or from the utilities would

² 20 ILCS 3855/1-75(c)(1)(G)(iv)(3)(E)(ii).

³ 20 ILCS 3855/1-10.

be necessary for subscriber organizations to comply with any modified requirements. At the very least, no changes to the current interpretation should be made effect until this barrier to implementation has been addressed, and even then the rule change should be forward-looking only.

Topic 3. Developer Cap

While developer caps may make sense when a program category is immediately oversubscribed, they should only be implemented in the instance where the category is oversubscribed on the first day of the program year. The first day is an important marker, because it represents the point in time that all eligible project applications (*i.e.*, all the projects that started pre-development in the prior 12 months) are submitted to the program. Especially in program categories that are not oversubscribed on the first day, it would promote additional development in these areas if developers were not subjected to an arbitrary cap on the amount of projects they could submit in a program year when there is available capacity available. This could prevent customers from having to sit and wait for another year before their project capacity is approved, even if there is remaining capacity for allocation, just because the approved vendor had reached the arbitrary 20% limit for the year.

Topic 4. Closing of Program Year Before May 31st Each Year

Regarding Question 1 of this topic, US Solar could support an annual closure period of the sort described (*e.g.*, for the 6-8 weeks prior to May 31st) if and only if that helps enable the program administrator to process all the Part 1 Applications from the current program year to the award-notification stage prior to the June 1 start of the next program year.

In addition, the Illinois Shines program and program administrator should explicitly adopt a transparent goal of processing all Part 1 Applications to the award-notification stage prior to the first day of the next program year. That would naturally require authorizing the administrator to close the application window well in advance of the final day of the program year, if necessary to enable complete the issuance of award announcements prior to the last day of the program year.

Topic 5. Further Differentiation Between EEC Projects

Please see the feedback we submitted today re: potential changes to Chapter 10 (Diversity, Equity, and Inclusion), specifically under Topic 6 (Equity Eligible Contractor Category in Illinois Shines), which presented a similar prompt for feedback.

Topic 6. Public Schools Category Uptake

Our understanding is that most public schools don't have a lot of land or non-segmented rooftops available that would be suitable for a long-term solar project. There may also be a tenure mismatch between the life of a solar project and the expected remaining life of the roof, not to

mention a given school district's long-term real estate planning. Offsite options that don't require the school district to purchase land for the project would significantly increase capacity supply and availability for this policy-favored customer type.

Topic 7. DC/AC Ratio & Other Requirements for Projects with Storage

In other markets, we generally see DC coupled battery storage being paired with distributed solar PV using a DC/AC ratio well above 1.55, including in markets where this ratio is not capped at all. We would like to see the Guidebook updated to reflect no maximum ratio, as long as the project's maximum AC output is limited to the AC capacity specified in the program rules and interconnection agreement. Enabling DC/AC ratios of 2.0 or higher will allow applicants to more effectively use the battery energy storage system (BESS) sizing. Limiting the DC/AC ratio to 1.55 results in an underutilization of BESS. The ability to store more mid-day solar energy clipping and use the BESS more frequently helps cover the high cost of adding battery storage and would enable greater deployment of storage capacity in Illinois.

At the very least, if the program retains a DC/AC ratio cap, the IPA should increase that ratio cap to 2.0 or higher, and further clarify and streamline the exemption process for applicants that have a technical or economic case to size their PV + BESS above the program's maximum DC/AC ratio. As the exception is currently implemented, it is very hard for an applicant to secure an exception to the current DC/AC ratio cap on an efficient timeline that is compatible with the overall application process.

Topic 8. IEEE Inverter Requirement

Our understanding is that IEEE and other technical standards around smart inverters should be contained in and governed by technical interconnection standards and the utility's related interconnection and distributed generation tariffs. We are not aware of any need or justification for establishing a duplicate (or perhaps conflicting) requirement for IEEE-certified smart inverters in the Long-Term Plan.

Topic 9. DC Metering Requirements

We did not participate in the earlier conversations (referenced in the prompt) around establishing a DC metering standard. That said, our understanding is that most developers are more comfortable and more familiar with AC metering, and that DC metering may only be necessary and/or justified in certain behind-the-meter situations (or perhaps for other niche applications). We thus do not believe that DC metering should be a priority for the program, and if it were allowed it should be on an opt-in basis only (not mandatory), so as not to disturb or interfere with industry-standard AC metering.

Topic 10. Proposal to Require the IPA’s Equity Portal to Certify Equity Eligible Persons (EEPs) for Compliance with the Minimum Equity Standard (MES)

Requiring EEPs to register with a state portal for certification would have consequences impacting employee privacy and would put more work on individuals that are already disadvantaged. Imposing requirements on EEP employees that are not required of other employees in Illinois seems contrary to public policy. Questions that would tell us if our employees qualified as EEPs (*e.g.*, were you formerly in foster care or a convict) are not questions we ask when making hiring decisions. Also, asking employees to register their status, especially when it comes to qualifications like former incarceration or being in the foster system, is a huge ask as many employees may find it difficult to trust the security of their personal information housed on a portal run by the state. By forcing EEP employees to register with the state in order to count towards the employer’s MES compliance, EEPs would face an additional burden without receiving any personal benefit. For these reasons, registration with the Equity Portal should remain optional for employees who chose to use the state portal in lieu of providing information to their employer as to their qualification as an EEP.

Topic 11. Part I and Part II Application Requirements

Improvements have already been made to the application process since the opening of the last program year. However, we would recommend that each application have its own attachment requirements based on the category a project is applying for. For example, EEC projects are required to have a land use permit for application but can submit the Part I application *without* uploading any proof of their permit. Even though the administrator can review the application and go back to the applicant to ask for their permit, this gap opens the door to misuse of the portal and applying without yet having met all the requirements. Especially given the large gap between when the program opened in the previous program year until now when applications are just beginning to be reviewed, it is possible for an AV to have applied without the required land use permits and to have received them in the interim. There should thus be improved functionality within the portal to require certain attachments based on the requirements for each program category to which a project can apply.

Topic 12. Barriers to Participation in the EEC Category & Program-Wide for EECs

We refer the IPA to our May 5 feedback on a related topic, where we explained that under the current program rules EEC partnerships “are designed in a bespoke fashion, with parties coming together to bring their own unique and valuable skills, resources, knowledge base, community and professional networks, etc. to the task of building (and in the case of community solar, also fully subscribing) new solar projects across Illinois.” For this reason, in order to enable EEP owners and EECs to continue overcoming barriers to participation, the IPA should refrain from adopting any new requirement(s) that would prevent *bona fide* EEP owners from engaging in this sort of beneficial partnership to overcome said barriers.

Topic 13. Traditional Community Solar Scoring Guidelines

No comment at this time.

Thank you for your consideration in this matter.