To: Illinois Power Agency
From: The Joint Non-Governmental Organizations (ELPC, NRDC, Vote Solar)
Date: December 3, 2021
Subject: Joint NGOs - Response to Illinois Solar for All Comment Request.

The Environmental Law and Policy Center, the Natural Resources Defense Council and Vote Solar (VS), commenting together as the Joint Non-Governmental Organizations or Joint NGOs (JNGOs), appreciate the opportunity to comment ahead of the Illinois Power Agency's (IPA or Agency) development of its 2022 revision to the Long-Term Renewable Resources Procurement Plan (Plan or LTRRPP).

The passage of the Climate and Equitable Jobs Act (Public Act 102-0662) this fall requires significant expansion and reimagination across the renewables programs and procurements outlined in the IPA's Plan. It is an exciting and busy time and the IPA has a lot on its plate. With this in mind, the Joint NGOs urge the Agency to anticipate the need for continued growth and evolution even after the final Plan has been approved by the Illinois Commerce Commission. This need for ongoing evolution will be particularly true for:

- The new community-driven community solar program, where the state still has much to learn about what a successful community-driven project looks like (and potentially for other new programs where there is still much to learn).
- REC prices, where Illinois needs to set prices to drive significantly expanded renewables goals, but does not want to repeat past mistakes of failing to adjust those prices if market response is out of line with statutory goals.
- And the low-income distributed generation subprogram of the Illinois Solar for All Program, which has seen far lower uptake than similar programs in other states and therefore requires ongoing and detailed attention to get it on track.

The Joint NGOs comments in response to the various requests for feedback published in early November touch on each of these topics and respond to multiple of the specific requests for comments the IPA makes. The Joint NGOs look forward to working constructively with the Agency and other stakeholders through the Plan's update process and beyond to make Illinois' renewables programs and procurements a success and achieve the goals of the Climate and Equitable Jobs Act.

The JNGOs continue to believe the creation of a stakeholder working group or similar process to identify and tackle the various challenges facing the Low-Income Distributed Generation Subprogram is critical to success for that program area. Critical attributes of such a process would include regular meetings, the ability to foster informal dialogue between the IPA, program administration team, and program stakeholders, and the bandwidth to get in the weeds on detailed issues. Furthermore, there is no reason such a process could not begin prior to the approval of the IPA's next renewables plan and the JNGOs urge the IPA to launch such a series of conversations, sooner. The Low-Income Distributed Generation program is open for applicants and continues to struggle to spend down budget. The IPA should not wait until summer 2022 to undertake serious improvement efforts.

Additionally, the Joint NGOs continue to offer the following strong recommendation:

The IPA should lower REC prices for Non-Profit and Public Facility projects able to take the investment tax credit (ITC), in lieu of requiring 65% savings for participants of those projects. The Solar for All Program has a clear, administratively set requirement for participants to realize at least 50% of the energy savings. The Joint NGOs strongly support this requirement and are always excited to see projects that offer even more savings. However, there is no policy reason to *require* an otherwise-random subset of Non-Profit and Public Facility (NPPF) participants to receive higher savings. Furthermore, maintaining the higher REC prices to support these savings has serious costs which the IPA should seek to avoid: fewer overall projects and fewer customers benefitting. Therefore, differential REC prices rather than differential savings requirements is a more appropriate approach to solving for the challenges created by some NPPF projects taking the ITC and some not.

In talking with approved vendors about this issue, it has become clear that some fear that the implementation of lowering REC prices for NPPF ITC projects in lieu of requiring 65% savings would lead to a drop in REC prices commensurate with the ITC (currently 26%). And that such a drop would be too drastic for the market to bear. The Joint NGOs do not share developers' understanding of how modeling a project taking the ITC but requiring only 50% savings would lower REC prices, but nonetheless caution the IPA against making too drastic a cut to NPPF REC prices for projects taking the ITC, in implementing this suggestion.