

US Solar – REC Pricing LTP Feedback

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.

REC Price Calculation Methodology for Illinois Shines and Illinois Solar for All

Topic 1. Cost-Based Annual Incentive-Setting

No comment at this time.

Topic 2. Project-Level Data

No comment at this time.

Topic 3. Billing Determinant-Level Net-Metering Credit Forecast

No comment at this time.

Topic 4. Criteria Around Deployment-Based Adjustment to Annual Cost-Based Pricing Estimates

No comment at this time.

Topic 5. IRA Implementation

Regarding question 1, the Agency should not include the domestic content ITC bonus adder in the calculation of REC prices as these recommendations were made before additional guidance was released by the Treasury. Since then, we have been able to take a deeper look at the requirements for qualifying for the domestic-content adder. It appears this adder will be incredibly difficult to get based on the most recent guidance, especially before manufacturers are able to pivot towards compliance with the required manufactured product percentages and ramp up domestic manufacturing. This bonus should not be assumed for projects as a very limited number of projects throughout the country, let alone Illinois, will be able to achieve the required domestic content percentage in the next few years. It would be appropriate to reevaluate considering the domestic content adder in the calculation of the REC prices in the future after the domestic manufacturing build-out has gotten significantly underway.

Regarding question 2, it is also highly unlikely that every project that is technically eligible for the low-income ITC bonus will receive the bonus. For one, there is a hard cap on the number of MWs that can be awarded, and many of those MWs are reserved for Native American tribes and other qualified entities and geographies outside Illinois. And even if a project is technically eligible for this bonus, the latest Treasury guidance establishes a priority / preference system for these limited MWs that will favor only a small subset of technically eligible projects. Further, the timing of the ITC bonus selection & award process means that even an ABP applicant that does apply for the low-income ITC bonus likely won't learn the fate of their ITC application until much later in the development process.

Topic 6. Community Solar Customer Acquisition and Maintenance Costs

No comment at this time.

Thank you for your consideration in this matter.