



Tuesday, June 27, 2017

Anthony Star
Illinois Power Agency
160 N. LaSalle St.
Suite C-504
Chicago, IL 60601
Anthony.Star@illinois.gov

Dear Mr. Star,

The Sierra Club appreciates the opportunity to respond to the questions issued by the IPA following the May workshops on the Long-Term Renewable Resources Plan. The Sierra Club is the largest and oldest grassroots environmental organization in the United States and our Illinois membership has an important stake in the success of clean energy deployment in the Long-Term Renewables Resources Plan. The Sierra Club is also a member of the Clean Jobs Coalition, a group of Illinois businesses and organizations representing the state's environmental, business, and faith communities that advocated to fix the state's Renewable Portfolio Standard (RPS).

The following comments are submitted on behalf the Sierra Club and our over 30,000 members here in Illinois. Please feel free to contact us with any questions.

Sincerely,

Christine Nannicelli
Illinois Senior Campaign Representative
Sierra Club
christine.nannicelli@sierraclub.org
508-740-9202

Sierra Club Comments: Long-Term Renewable Resources Procurement Plan

The Sierra Club strongly encourages the Illinois Power Agency to ensure that the programs and procurements offered through the Long-Term Renewable Resources Plan meet the following goals:

- Maximize the adoption and deployment of renewable and distributed energy resources, such as photovoltaics, in order to diversify energy resources, protect public health and Illinois' environment, as well as deliver economic benefits to Illinois' residents.
- Ensure photovoltaic distributed generation benefits all residents across the State, expanding solar access to low-income individuals and communities, and delivers robust participation opportunities for residential and small commercial customers in the community solar program.
- Create job training opportunities for individuals from communities that will be served by the Illinois Solar for All program that are designed to create a pathway to professional certification and future solar employment.
- Protect all Illinois consumers and, particularly, low-income participants in the Illinois Solar for All Program
- Deliver new generation in MISO Zone 4 and diversify generation sources in communities with aging power plants to proactively boost local transmission

Meeting Percentage Based RPS Targets

The Sierra Club strongly supports the prioritization of the long-term RPS targets and the use of multi-year contracts to meet long-term RPS targets over short-term REC procurements.

The IPA has a clear directive from the legislature about which RPS targets to prioritize and the annual percentage targets are at the end of that list, after the Illinois Solar for All and new build programs. The IPA should first focus on getting these new programs right *before* turning to the percentage-based RPS targets.

Wherever possible, percentage-based RPS targets should be met via multi-year REC procurements that will provide long-term certainty over the planning horizon and further RPS goals. Short-term RECs inevitably come from existing resources that do little to encourage investment, diversify energy resources, or further protect Illinois' environment. Multi-year RECs are more likely to come from new, "additional" renewable resources that further these policy goals.

Community Solar

Community solar is an important program for expanding solar access throughout Illinois and, in particular, for those that cannot put solar on their own roofs. In developing this program, the

IPA must ensure that all classes of customers across the state are able to participate in a diverse range of community solar projects that suit their individual needs and goals. To that end, Sierra Club offers the following community solar-related comments:

- 1) It is the IPA's clear responsibility, delegated through the Future Energy Jobs Act, to actively ensure robust participation opportunities for residential and small commercial customers ("small customers").

The language of the Future Energy Jobs Act directly requires the IPA to ensure robust participation opportunities for small customers as well as customers that cannot put solar on their own roof. During the May workshops, we repeatedly heard about the challenges associated with serving small customers as well as examples of markets (e.g. Minnesota) where community solar had left small customer participation behind. Given this experience in other markets, the IPA has a clear responsibility to take proactive measure to ensure this robust small customer participation. Without proactive measures, it seems clear these customers will be left behind.

Sierra Club understands that there are multiple proactive measures that the IPA could take, ranging from mandates to more market-driven approaches, to ensure this robust small customer participation. Sierra Club does not have a position as to which approach would be most effective. However, regardless of initial approach, IPA should monitor small customer participation and, if robust participation is not achieved, alter the program to ensure robust small customer participation.

- 2) It is important that the community solar program work for community-driven and grassroots community solar projects, not just developer-driven community solar projects.

There are many Illinois neighborhoods and groups interested in organizing their own community solar projects. These projects may differ significantly from developer-driven projects in a number of ways, including: project size and timeline, technical sophistication, and ownership structure. In order for the program to fully serve Illinois residents and communities, the IPA should take extra care to design the community solar program with both developer-driven as well as more bottom-up, community-driven projects in mind. The Agency should also monitor the success of community-driven projects and consider program changes if such projects struggle to succeed.

- 3) Combining multiple identical community-solar projects in one site should not be allowed except on brownfields.

The Future Energy Jobs Act clearly defines community renewable generation projects as those that are less than 2 MW. Sierra Club does not generally support locating multiple such projects together under one operational umbrella, because the economy of scale that enables would effectively concentrate projects into a smaller number of large sites, limiting the job and distributed generation benefits they bring, limiting the number of companies that can participate in the Illinois market, and limiting the number of discrete solar developments the state will see. A shift toward fewer, larger projects also could provide a competitive advantage to developer-driven community solar projects over community-driven projects.

However, Sierra Club does support funding combined small renewable energy projects where there is a compelling policy rationale. In particular, multiple small projects should be allowed to be combined where those projects are developed on brownfields. Allowing such co-location of community solar projects on brownfields makes sense to enable full site re-use in the case of large contaminated sites, provide cost advantages to more-expensive brownfields solar projects, and enable community solar development on brownfields (community solar projects are otherwise excluded from the brownfield carve-out of the RPS). It is also in line with the finding in the Future Energy Jobs Act that brownfield solar development is in the public interest. Some co-location of individual solar and wind projects, which can complement each other and smooth a site's overall power production curve, may also be appropriate in limited circumstances.

- 4) Community solar projects in rural electric cooperatives (“co-ops”) and municipal utilities (“munis”) should be eligible for the community solar portion of the adjustable block program.

Community renewable generation projects are clearly defined in the Future Energy Jobs Act to include projects in co-op and muni territories. Although co-ops and munis are not legally required to enable bill crediting for community renewable generation, some may choose to do so. The IPA's community solar program should therefore allow for participation of projects in co-op and muni territories so long as those entities enable bill crediting and meet the other requirements of community renewable generating facilities as defined in the statute.

Job Training

The job training program created through the Future Energy Jobs Act, operating in conjunction with the Illinois Solar for All program, is vital to ensuring the economic benefits of solar market growth in Illinois penetrate historically underserved and environmental justice communities, as well as foster care alumni and persons with a record. These programs should be designed to not only provide training, but a pipeline of workers for solar jobs, and, ultimately, to enable home-grown solar businesses and wealth creation. It is critical that this job training program is statewide and not solely resourced in the Chicago metropolitan area.

Given the importance of the job training program, Sierra Club urges the IPA to engage with ComEd in early stage job training program development. IPA should take special care to ensure the pipeline aspect of the program is designed to help trainees get on roofs and/or hands-on learning experience in an applicable solar career industry pathway in order to gain certification in various programs and/or qualified person status. Additionally, we encourage the IPA to advocate for job training resource distribution statewide to support a successful deployment of Illinois Solar for All projects and economic benefits beyond Chicago.

Consumer Protection

Consumer protection is necessary in order to protect consumers from problems related to information asymmetry and bad actors. It is important that consumers have positive overall experiences with Solar for All and various new build programs, as word of mouth is a great way to attract potential participants and well-publicized bad experiences can cast a shadow over an entire program. Protections for participants in the Illinois Solar for All program, are of particular importance.

Sierra Club believes that both the solar industry and the IPA have a role to play in ensuring adequate consumer protection, while recognizing that there are already existing laws and rules to protect consumers. Therefore, Sierra Club urges the IPA to carefully consider what consumer protection may be necessary for various participants, and take steps to ensure that any consumer protection incorporated into the Long-Term Renewable Resources Plan is executed in the least onerous and least duplicative manner possible, to lessen the associated burden on companies, which is ultimately passed back to ratepayers in the form of higher REC prices.

Illinois Solar for All

Sierra Club participated in the Illinois Solar for All Working Group, an affiliate of the Illinois Clean Jobs Coalition, and encourages the IPA to use the Group's White Paper for guidance on Illinois Solar for All questions and overall program design recommendations.

Many opportunities exist for successful outreach to both rural and urban communities outside of the Chicago metropolitan area. The Sierra Club works on a variety of issues with many partners throughout the state and can provide specific recommendations on organizations with strong networks in rural Illinois communities.