

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Power Agency	)	
	)	
Petition for Approval of the IPA’s 2022	)	ICC Docket No. 22-_____
Long-Term Renewable Resources Procurement	)	
Plan Pursuant to Section 16-111.5(b)(5)(ii)	)	
of the Public Utilities Act	)	

**THE ILLINOIS POWER AGENCY’S VERIFIED PETITION
FOR APPROVAL OF ITS 2022 LONG-TERM RENEWABLE RESOURCES
PROCUREMENT PLAN PURSUANT TO 220 ILCS 5/16-111.5(b)(5)(ii)**

Pursuant to the authority granted by the Illinois Power Agency Act, 20 ILCS 3855/1-5, *et seq.*, and the Illinois Public Utilities Act, 220 ILCS 5/1-101, *et seq.*, the Illinois Power Agency (“IPA” or “Agency”) hereby submits to the Illinois Commerce Commission (“Commission” or “ICC”) for consideration and approval its proposed plan for the procurement of renewable energy credits (“RECs”) for Ameren Illinois Company (“Ameren Illinois”), Commonwealth Edison (“ComEd”), and MidAmerican Energy Company (“MidAmerican”) (collectively referred to as the “Utilities”) under Sections 1-56(b) and 1-75(c) of the Illinois Power Agency Act (20 ILCS 3855) (“IPA Act”) and Section 16-111.5(b)(5) of the Public Utilities Act (220 ILCS 5) (“PUA”).

The IPA’s 2022 Long-Term Renewable Resources Procurement Plan (“2022 Plan,” “Long-Term Plan,” or “Plan”), attached to this filing, sets forth the Agency’s proposals for the procurement of RECs—tradeable credits that each represent the environmental attributes of one megawatt hour of energy produced from a qualifying renewable energy generating facility—as required by Sections 1-56(b) and 1-75(c) of the IPA Act. The Plan was developed pursuant to direction provided by Section 1-75(c)(1)(A) of the IPA Act as modified by Public Act 102-0662 (colloquially known as the “Climate and Equitable Jobs Act,” or “CEJA”), which required that “no later than 120 days after” the September 15, 2021 effective date of P.A. 102-0662, “the Agency

shall release for comment a revision to the long-term renewable resources procurement plan, updating elements of the most recently approved plan as needed to comply” with P.A. 102-0662’s new requirements. That Plan approval is subject to the requirements of Section 16-111.5 of the Public Utilities Act.

In accordance with Section 16-111.5(b)(5)(ii)(C) of the PUA, the Illinois Commerce Commission is required to enter its Order “confirming or modifying” the Plan within 120 days after this filing.¹ As the IPA believes that its 2022 Long-Term Renewable Resource Procurement Plan will “reasonably and prudently accomplish the requirements of Section 1-56 and subsection (c) of Section 1-75 of the Illinois Power Agency Act,”² the Agency respectfully requests its approval.

BACKGROUND

Public Act 102-0662, omnibus energy legislation signed into law on September 15, 2021, introduced massive structural reforms to the Illinois energy statutory and regulatory landscape, many of which the Commission has begun addressing through other proceedings, workshops, and processes. P.A. 102-0662 largely maintained the basic outline of the Illinois Renewable Portfolio Standard (“RPS”) as modified by P.A. 99-0906. For example, RPS compliance is still measured by RECs procured through ratepayer funded REC delivery contracts, and the process through which the IPA proposes programs and procurements to meet RPS goals and targets generally remains by developing the Plan attached to this petition and the Commission’s biannual approval of that Plan. However, Section 1-75(c)(1)(A) of the Act required the development of a new Long-

¹ 220 ILCS 5/16-111.5(b)(5)(ii)(C).

² 220 ILCS 5/16-111.5(b)(5)(ii)(D).

Term Renewable Resources Procurement Plan to outline the Agency’s proposals for meeting P.A. 102-0662’s myriad new RPS-related requirements.

With respect to the Illinois RPS and those activities governed by and proposed through this Plan, changes resultant from P.A. 102-0662 generally take three forms. The first is volume: through changes to Section 1-75(c)(1)(E) of the IPA Act, annual ratepayer collections under the Illinois RPS are projected to total over \$580 million, versus the ~\$230 million previously collected. Through changes to Section 16-108(k) of the Public Utilities Act, prior years’ collections can now be rolled over to meet future years’ expenses, allowing for more budget to be leveraged than under P.A. 99-0906’s structure. Utility collections that support the Illinois Solar for All Program grow from ~\$11 million annually to up to \$50 million annually.

Those volumetric changes can also be found in the REC procurement goals and targets in Section 1-75(c)(1)(B) and (C) of the Act. Section 1-75(c)(1)(B)’s prior “25% by 2025” RPS standard has been replaced by more aggressive “40% by 2030” and “50% by 2040” requirements. Section 1-75(c)(1)(C)’s prior targets of 8,000,000 RECs delivered annually from new projects by 2030 is now an ambitious 45,000,000 REC procurement target. As outlined in Chapter 3 of the Plan, with both significantly more funding and far more aggressive RPS goals and targets, the scale of the Illinois RPS has grown considerably through P.A. 102-0662.

A second category of changes are qualitative changes, through which existing activities already conducted under P.A. 99-0906’s structure will continue, but with qualitative considerations offering a different form to or process for that work. One key example of this is the Adjustable Block Program: that program previously featured three categories of projects (Small distributed generation (“DG”), Large DG, and community solar), but changes to Section 1-75(c)(1)(K) now transition the Adjustable Block Program (“ABP”) to six categories (with the

addition of Public Schools, Community-Driven Community Solar, and Equitable Eligible Contractor categories), directing more attention to the qualitative attributes of projects supported by or applicants to the program. These new categories and other changes to the Adjustable Block Program are outlined in Chapter 7 of the Plan.

Given its role in establishing requirements for funding eligibility, the IPA had previously exercised consumer protection oversight for solar transactions in Illinois benefitting from state-administered incentive funding; that consumer protection role is now memorialized and expanded through changes to Section 1-75(c)(1)(M) of the Act. Consumer protection matters are now addressed through a separate Chapter 9 of the Long-Term Plan, with a Consumer Protection Handbook now attached to the Agency's Long-Term Plan filing.

New labor requirements also fit this “qualitative changes” description. Section 1-75(c)(1)(Q) provides prevailing wage requirements for most new Adjustable Block Program projects. For new utility-scale and brownfield site photovoltaic projects, Section 1-75(c)(1)(Q) requires compliance with both prevailing wage and project-labor agreement requirements. As outlined in Chapter 8 of the Plan and new Appendix G thereto, the Illinois Solar for All Program now requires dedicated support for projects that promote “energy sovereignty.” The “energy sovereignty” concept is intended to encourage “ownership of projects by low-income households, not-for-profit organizations providing services to low-income households, affordable housing owners, community cooperatives, or community-based limited liability companies providing services to low-income households” that “ensure[s] that local people have control of the project and reap benefits from the project over and above energy bill savings.”³

³ 20 ILCS 3855/1-56(b)(2).

The most significant qualitative changes concern new diversity, equity, and inclusion (“DEI”) requirements. P.A. 102-0662 distills what had been aspirational DEI statements down to specific requirements of participants: new Section 1-75(c-10) of the Act establishes minimum equity standards under which “at least 10% of the project workforce for each entity participating . . . must be done by [sic] equity eligible persons or equity eligible contractors.” That percentage rises to 30% by 2030 under a schedule established by the Agency. For competitive procurements, Section 1-75(c-10)(3) requires that “the Agency shall develop bid application requirements and a bid evaluation methodology for ensuring that utilization of equity eligible contractors . . . is optimized,” constituting a potentially significant shift from evaluating qualified bids based only on price. Other new diversity, equity, and inclusion provisions require compliance reporting by Approved Vendors, Agency diversity reporting, and the development of a disparity study.

P.A. 102-0662 also included new responsibilities for the Commission with respect to the establishment of these minimum equity standards. Pursuant to Section 16-111.5(b)(5)(ii)(D) of the PUA, the Commission’s approval of the Long-Term Plan shall now also include approval or modification of “the Agency’s proposal for minimum equity standards,” and in so doing “shall consider any analysis performed by the Agency in developing its proposal, including past performance, availability of equity eligible contractors, and availability of equity eligible persons at the time the long-term renewable resources procurement plan is approved.” The Agency’s proposed approach for meeting new DEI requirements can be found in Chapter 10 of the Plan.

A third category of RPS changes is scope; P.A. 102-0662 authorizes new activities that the Agency had not previously conducted. New Section 1-75(c)(1)(R) of the Act requires that the Agency “establish a self-direct renewable portfolio standard compliance program for eligible self-direct customers that purchase renewable energy credits from utility-scale wind and solar projects

through long-term agreements for purchase of renewable energy credits.” Under this self-direct program, by virtue of entering into qualifying long-term agreements for the purchase of RECs from new utility-scale wind or solar projects, select customers become eligible for a credit back for certain bill charges levied to support the Illinois RPS pursuant to Section 16-108(k) of the PUA, with the level of that credit dependent on expenses resultant from utility-scale REC contracts entered into by utilities under the RPS after that customer’s successful application to the self-direct program. The Agency’s proposed Large Customer Self-Direct Program is described in Chapter 6 of the Plan.

As with prior Long-Term Plans, Chapter 2 of the Plan provides a more comprehensive explanation of the governing law’s structure and requirements, including additional changes resultant from P.A. 102-0662’s enactment.

PROCEDURE

The Agency’s efforts in drafting its 2022 Long-Term Plan began shortly after P.A. 102-0662’s enactment. As the IPA was required to reopen new blocks of the Adjustable Block Program within 90 days of the effective date of P.A. 102-0662—30 days prior to publishing its draft new Long-Term Plan—the Agency grappled with many interpretive and implementation decisions in preparing for Program reopening, and certain decisions made through that process are mirrored in this Plan. The Agency also held workshops and a written comment process across November 2021, providing useful stakeholder guidance for draft 2022 Long-Term Plan development.⁴

As required by Section 1-75(c)(1)(A) of the IPA Act, the IPA’s Draft 2022 Long-Term plan was released for public comment on January 13, 2022. As with the IPA’s annual procurement

⁴ More information on that workshop and comment process, including comments received, can be found here: <https://www2.illinois.gov/sites/ipa/Pages/RenewableResourcesWorkshops.aspx>

plan prepared pursuant to Section 16-111.5(d)(2) of the PUA, copies of the Draft Plan were posted to the IPA's website⁵ and provided to each affected electric utility. As required by Section 16-111.5(b)(5)(ii)(B) of the PUA, stakeholders were provided with 45 days for written comments on the Long-Term Plan, and a virtual public hearing was held for each applicable utility's service area (with all three hearings taking place on Friday, February 18, 2022).

Forty-one sets of comments were received, from the following parties: Advanced Energy Economy; Ameren Illinois; American Farmland Trust; Amp; Arcadia; Bella Power Services; Central Road Energy; Chicago Environmental Justice Network; Clean Grid Alliance; Climate Jobs Illinois; ComEd; Cooperative Energy Futures; County of Peoria; Cypress Creek Renewables; Future Green; Illinois Farm Bureau; Illinois Manufacturers Association and Others; ILSFA Working Group; Impact Power Solutions; Invenergy; Joint Commenters; Joint NGOs; Joint Solar Parties; Lightstar; LiUNA Midwest Region; Mid-America Carpenter's Regional Council; Midwest Cogeneration Association; Nexamp; NRG Energy; PowerMarket; Primary Energy Recycling; PSG Energy Group; SolAmerica Energy; SRECTrade; Swift Current; TechNet; The Nature Conservancy; Trajectory Energy Partners; US Solar; Vistra Corp.; and West Aurora School District 129.⁶

The law provides that after the conclusion of the comment period, "the Agency may revise the long-term renewable resources procurement plan based on the comments received."⁷ Within 21 days after the conclusion of that period, the Agency was required to "file the plan with the

⁵ See <https://www2.illinois.gov/sites/ipa/Documents/Draft2022Long-TermPlan%20%2813%20JAN%202022%29.pdf>.

⁶ Comments are available here: <https://www2.illinois.gov/sites/ipa/Pages/2022longtermplancomments.aspx>.

⁷ 220 ILCS 5/16-111.5(b)(5)(ii)(B).

Commission for review and approval,” creating a filing deadline of March 21, 2022.⁸ The 2022 Long-Term Plan filed herewith for Commission review and approval reflects the revisions made by the Agency in response to, and consideration of, the comments received.

Objections to the Plan are due within 14 days after filing, and the “the Commission shall determine whether a hearing is necessary” within 21 days after the filing date.⁹ The Public Utilities Act provides the Commission with 120 days to review the filed Plan and “enter its order confirming or modifying the initial long-term renewable resources procurement plan or any subsequent revisions.”¹⁰ The law provides that the Commission “shall approve the initial long-term renewable resources procurement plan and any subsequent revisions, including expressly the forecast used in the plan and taking into account that funding will be limited to the amount of revenues actually collected by the utilities, if the Commission determines that the plan will reasonably and prudently accomplish the requirements of Section 1-56 and subsection (c) of Section 1-75 of the Illinois Power Agency Act.”¹¹

COMMENTS ON THE DRAFT PLAN

As referenced above, the Agency received 41 sets of comments on the Draft 2022 Long-Term Plan. The IPA genuinely appreciates all commenters’ efforts in providing feedback and found all submitted comments to be helpful. The Draft Plan specifically sought feedback from

⁸ Id.

⁹ 220 ILCS 5/16-111.5(b)(5)(ii)(C).

¹⁰ Id.

¹¹ 220 ILCS 5/16-111.5(b)(5)(ii)(D). The law also provides that the Commission, as part of its Order, “shall also approve the process for the submission, review, and approval of the proposed contracts to procure renewable energy credits or implement the programs authorized by the Commission” pursuant to the approved Plan, as well as “approve or modify the Agency’s proposal for minimum equity standards pursuant to subsection (c-10) of Section 1-75 of the Illinois Power Agency Act.”

parties on certain issues for which the Agency was uncertain about the proper approach, and the IPA especially appreciates the feedback it received on those issues.

Given the volume of comments received and the breadth of the Plan itself, countless changes were made in response to comments. In this Petition, the Agency has attempted to highlight key areas in which the IPA modified its Draft Plan in response to comments. Each of those changes are discussed further below, with select additional proposals *not* included in the filed Plan (or select sections of the Plan not otherwise revised) discussed thereafter.¹²

PROPOSALS ACCEPTED FOR REVISION/CHANGES FROM DRAFT PLAN

1) Traditional Community Solar Project Selection

As with prior plans, a key issue for the 2022 Plan is what process should be used to choose between qualifying community solar projects, should project applications exceed available category capacity. While changes to Section 1-75(c)(1)(K) of the IPA Act now clarify that “the Agency shall select projects on a first-come, first-serve basis,” that same subparagraph authorizes the Agency to “suggest additional methods to prioritize projects that are submitted at the same time.” As the Agency proposes “at the same time” to mean on the same initial application day, some tiebreaking method is necessary should projects submitted on Day 1 exceed available capacity. In Section 7.4.3 of its Draft Plan, the Agency proposed employing a project scoring system should a tiebreaking method be necessary, with that scoring system prioritizing brownfield site projects, projects featuring stronger equity eligible contractor commitments, projects located

¹² Other portions of the Plan as filed feature clarifications, corrections, or other minor changes, including additional detail or explanation where appropriate and updated figures and numbers where available, and this pleading does not attempt to outline all such changes to the Plan. The IPA will post a document comparison of the Plan as filed for ICC approval versus the Draft Plan to its website (https://www2.illinois.gov/sites/ipa/Pages/Renewable_Resources.aspx).

in areas that did not have an existing community solar project, and similar qualitative criteria that could be reduced down to quantitative scores.

In response to comments received, the filed Plan has reworked several aspects of this scoring process. First, the Plan now groups together scoring for similar qualitative criteria into individual categories (built environment, siting, and EEC qualification) with points achieved within that category for satisfying one or more criteria. Second, in response to comments by the Joint Solar Parties regarding a) the need to ensure that scoring does not result in clustered ties and another random selection process and b) the value of considering an interconnection agreement effective date in scoring, the Agency has introduced a new scoring category under which projects with the earliest effective *original* interconnection agreement dates are awarded maximum points, with point awards assigned on a sliding scale between 4 points and 0.5 points for all projects down through the latest eligible interconnection agreement date. By awarding fractional points under a rank-order of projects, this system should significantly reduce the likelihood of tie scores and thus the need for a random selection process. At the same time, this system awards those who were first to enter the market in Illinois and seek interconnection agreements for projects—while ensuring that favorable treatment is merely placed on par with environmental, siting, and equity considerations in project selection.

Also in response to comments offered primarily by the Joint Solar Parties, the filed Plan now proposes opening Traditional Community Solar blocks on November 1, 2022 under statutory guidance that the Agency shall open the first traditional community solar block “starting in the third delivery year . . . or earlier if the Agency determines there is additional capacity needed for

*to meet previous delivery year requirements.”*¹³ Given the additional block capacity allocated to the Small Distributed Generation and Large Distributed Generation categories upon the December 14, 2021 block reopening, and given the proposed size of those categories for annual block openings in the year thereafter, the Agency believes additional support should be provided for the Traditional Community Solar category before the third delivery year after P.A. 102-0662’s passage. As noted by the Joint Solar Parties, this approach will also reduce the likelihood of an unwieldy queue of community solar project applications building up in the period between this Plan’s approval and the Traditional Community Solar category’s receipt of those applications, thus easing waitlist management concerns.

2) REC Pricing

The Agency initially developed a model for the pricing of Renewable Energy Credits (“RECs”) for the Adjustable Block Program and the Illinois Solar for All Program as part of the Initial Long-Term Plan (approved by the Commission in Docket No. 17-0838). That model was not updated for the Revised Long-Term Plan approved in 2020, as the Agency believed at that time that the initial structure, which included 4% price declines between each block of program capacity for the Adjustable Block Program, was functioning properly as a market signal.

The Agency began the process of a substantial refresh of the REC pricing model as part of the since-withdrawn Second Revised Long-Term Plan in the summer of 2021 and further updated that model for the draft of the 2022 Long-Term Plan. This process included consideration of comments received through a stakeholder workshop in June and July of 2021, further stakeholder feedback received in December of 2022, and changes related to new requirements of Public Act

¹³ 20 ILCS 3855/1-75(c)(1)(K)(iii).

102-0662 (including certain project categories featuring 20-year rather than 15-year REC delivery contracts, the creation of new categories for Public Schools projects and Community-Driven Community Solar, and adjustments to account for the increased labor costs related to payment of prevailing wages). The REC pricing model continues to be based on the Cost of Renewable Energy Spreadsheet Tool (“CREST”) model developed by the National Renewable Energy Laboratory and customized to factor in the value of net metering and expected REC production from projects.

The Agency received several comments on the REC pricing model. In assessing potential changes, the Agency continues to grapple with the complexity of how to balance setting REC prices at a level that will incent the successful development of solar in Illinois to meet statutory targets while also not setting those prices so high as to create windfall profits. Based on comments received on the Draft Plan, the Agency made the following key changes to the REC pricing model for this filed Plan relative to the Draft Plan:

- Reduced the federal Investment Tax Credit to 22% to anticipate the expected step down in 2023. Pending federal legislation could significantly change the level and structure of this tax credit, and if enacted, would necessitate a REC pricing model update.
- Adjusted cost inputs, including now assuming that community solar projects are tracking systems rather than fixed mounted, adjusting interconnection costs for smaller systems that use Level 1 interconnection applications, increasing the length of time for construction, recalibrating development costs for larger systems, and ensuring that DC to AC ratios used for the modeling were also applied to cost inputs.

- Adjusted net metering credit values to include a lower rate of inflation, reflect that the energy value for larger projects now includes the value of capacity, and that other changes resultant from applicable tariffs were also included in the net metering value.
- Updated the cash flow model for public school projects.
- Increased the development costs for 1-4 unit distributed generation projects participating in the Illinois Solar for All program.

A detailed description of the REC Pricing Model is attached to the Plan as Appendix D, and a full spreadsheet containing all of the inputs and calculations is attached as Appendix E. A downloadable version of the spreadsheet is available on the Agency's website to provide full transparency to stakeholders and to allow interested parties to test how changing model inputs and assumptions would impact resulting REC prices.

3) Large Customer Self-Direct Program

New Section 1-75(c)(1)(R) of the Act requires that the Agency “establish a self-direct renewable portfolio standard compliance program for eligible self-direct customers that purchase renewable energy credits from utility-scale wind and solar projects through long-term agreements for purchase of renewable energy credits.” Under this self-direct program, by virtue of entering into qualifying long-term agreements for the purchase of RECs from new utility-scale wind or solar projects (including meeting 40% of that customer's load through RECs procured), qualifying large customers become eligible for a credit back for certain bill charges levied to support the Illinois RPS pursuant to Section 16-108(k) of the PUA. The level of that credit depends on expenses resultant from utility-scale contracts entered into under the RPS after that customer's successful application to the self-direct program.

Based on comments received on the Draft Plan, the Agency made several changes to the Large Customer Self-Direct Program outlined in Chapter 6, with three such changes highlighted in this petition. First, the Agency clarified that qualifying customers who retire RECs to meet 40% of load receive the statutory credit level back for the *full 100%* of that customer’s volumetric RPS charges, and not 40% of those charges as had been understood by some commenters. Second, although Section 1-75(c)(1)(R)(1) requires that qualification be “based on the 12 consecutive billing periods prior to the start of the year in which the application is filed,” the Agency will now allow for customers with less than 12 months of billing data to qualify, as that customer’s non-coincidental peak load—which must be over 10,000 kw, by statute—can be demonstrated without a full annual billing cycle. Lastly, based on comments received, the Agency provided clarifications around what evidence may be utilized to demonstrate customer qualification for the Large Customer Self-Direct Program.

4) Illinois Solar for All Program Changes

Since its inception in 2018, the Illinois Solar for All Program has sought to ensure that the higher incentives offered through Section 1-56(b) of the IPA Act go to the intended communities and that those customers receive quality service. At the same time, the program seeks to reduce barriers to participation by low-income residents and the solar industry. For the Low-Income Community Solar and Non-Profit and Public Facilities subprograms, Approved Vendors have successfully navigated the application process, but Approved Vendors in the Low-Income Distributed Generation subprogram (now the Low-income Single-family and Small Multifamily Building and Low-income Large Multifamily subprograms) have faced multiple challenges in increasing the number of projects installed through Illinois Solar for All (“ILSFA”). Comments received on the published Draft 2022 Long-Term Plan noted many of these difficulties, particularly

related to the complexity of program requirements and application and to the frequency of interested customers needing structural repairs to their home before a photovoltaic system can be installed.¹⁴

To address these ongoing barriers to participation, and in light of new language in Section 1-56(b) that authorizes the IPA to “propose additional programs through the Long-Term Renewable Resources Procurement Plan” where doing so would “provide greater benefits to the public health and well-being of low-income residents through also supporting that additional program versus supporting programs already authorized,” the Agency proposes two new pilot programs within the Low-Income Single-Family and Small Multifamily subprogram. One, the Program Delivery Pilot, is designed to ease the burden of the soft costs associated with serving individual low-income households. This pilot will place the functions related to customer relations (recruitment, income verification, education) and job trainee placement with the Program Administrator. The Agency will select an Approved Vendor through an RFP for each pilot community, creating a simpler, more streamlined program with fewer actors, in an effort to reduce complexity and make the program more accessible to low-income customers. The 2022 Plan proposes that this pilot run for two delivery years, giving the Agency data points upon which to evaluate its success for the next revision of the Long-Term Plan. The Agency will conduct a stakeholder comment process to solicit feedback on the design of this pilot program and the selection of participating communities.

¹⁴ See, e.g., Chicago Environmental Justice Network Comments at 12-13 (“One identified barrier for increasing participation is the complexity of the program and confusion or mistrust of potential participants.”); ILSFA Working Group Comments at 6 (“One of the numerous barriers to low-moderate income single family buildings is the lack of financial resources to address generic rehabilitation issues, especially, in the case of rooftop PV, a sound roof, preferably replaced, and a fully upgraded electricity system.”) and 7 (“[S]ubprogram stakeholders believe that the application process itself serves as a stumbling block to subprogram success.”).

The second pilot program seeks to address the frequently-cited barrier of low-income residences requiring structural or electrical repairs before they are suitable for solar panel installation. This pilot program will provide additional incentives for eligible projects that cannot go forward without such repairs, and the Agency will explore potential cost caps. The Agency and the Program Administrator will also explore methods for assisting such customers in seeking other sources of financial support for these needs before approving additional ILSFA incentives. Assuming approval by the Commission, the Agency will conduct a stakeholder comment process to solicit feedback on the design of this pilot program prior to implementation.

5) Consumer Protection

A number of changes were made to the Agency's consumer protection requirements in light of comments on the Draft Plan. Some of those changes are reflected in an Appendix, as the Agency is filing copies of its consumer protection materials in Appendix I to the 2022 Long-Term Plan, consistent with the legislative directive in Section 1-75(c)(1)(M) of the Act to propose "program terms, conditions, and requirements" through the Agency's Long-Term Plan. The Agency is proposing significant updates to its consumer protection documents, including the creation of a new Consumer Protection Handbook and comprehensive revisions to the Disclosure Forms across both the Adjustable Block Program and Illinois Solar for All (see Sections 9.4.1 and 9.5 of the Plan). The Agency also proposes minor updates to the ABP distributed generation Contract Requirements and the ILSFA community solar Contract Requirements, which are discussed in Sections 9.4.2.1 and 9.4.3.2.

Consumer Protection Handbook

Through the 2022 Long-Term Plan, the Agency proposes a new document, the Consumer Protection Handbook, which updates and consolidates four consumer protection documents into a

single document: (1) the ABP Community Solar Marketing Guidelines, (2) the ABP Distributed Generation Marketing Guidelines, (3) the ILSFA Low-Income Community Solar Consumer Protection Requirements, and (4) the ILSFA Low-Income Distributed Generation Consumer Protection Requirements. Each of these four documents has considerable overlap in requirements, but they also contain important differences.

The consolidated Consumer Protection Handbook removes the redundancies across the material while also highlighting the differences. The Handbook also reformats and reorganizes the material to increase readability and clarity. The Agency believes this will make the ABP and ILSFA programs easier to navigate by streamlining applicable materials, reducing the amount of material that Approved Vendors and Designees must review, and identifying key differences between the consumer protection requirements for ABP and ILSFA, and distributed generation and community solar. This update also responds to the legislative directive to implement ILSFA “in a manner that seeks to . . . maximize efficiencies and synergies available through coordination with similar initiatives, including the Adjustable Block program.”¹⁵

Disclosure Forms

The Agency has consistently received feedback that the program Disclosure Forms are too lengthy and complicated—that they are both burdensome for Approved Vendors and Designees and difficult for customers to understand. Comments on the Agency’s draft 2022 Long-Term Plan reiterated these concerns.¹⁶

¹⁵ 20 ILCS 3855/1-56(b)(2).

¹⁶ See, e.g., Joint Solar Parties Comments at 20 (“The Joint Solar Parties have long believed that simplifying and shortening the disclosure would help potential customers better engage and digest the material.”); ILSFA Working Group Comments at 10 (“[T]he Working Group has heard a number of complaints that the current disclosure forms are too long to be effective. We have heard that many customers have one of two reactions: either they stop paying attention to the form because it is too extensive or the sheer volume of information scares them away from the program.”).

The Agency is proposing a full set of significantly redesigned Disclosure Forms as part of the 2022 Long-Term Plan. The Agency intends the standard Disclosure Forms to highlight the most important information for customers in a way that is understandable for people not familiar with the programs and prevents “information overload.” The Disclosure Forms are significantly shorter (*e.g.*, the ABP distributed generation Disclosure Form is now four pages instead of nine pages). They have also been redesigned with a consistent chart format across programs and offer types. The Agency believes the increased consistency between the ABP and ILSFA Disclosure Forms will increase efficiencies and reduce barriers to Approved Vendors and Designees expanding from one program into the other.¹⁷ The Disclosure Forms are color-coded to help avoid accidentally mixing up forms due to their now similar appearance. The Disclosure Forms also address specific comments on Disclosure Form content, such as by adding a new disclosure for projects that take the smarter inverter DG rebate.¹⁸

The Agency is open to further modification of the Disclosure Forms through stakeholder processes after approval of the 2022 Long-Term Plan. This may be particularly appropriate to accommodate new ownership models for ILSFA offers that incorporate energy sovereignty principles. The Agency disagrees with Arcadia’s comments¹⁹ that the Agency can only modify its disciplinary procedures and its program documents (such as the Guidebook, Disclosure Forms, Contract Requirements, and consumer protection requirements) as part of the Long-Term Plan proceeding, and notes that Arcadia’s position is inconsistent with Orders issued by the Commission in Docket Nos. 17-0838 and 19-0995.

¹⁷ See, *e.g.*, ILSFA Working Group Comments at 11 (“[T]he Agency and Administration Team should try to make [the ABP and ILSFA Disclosure Forms] similar where possible to make it easier for AVs to work across the two programs.”).

¹⁸ See Central Road Energy Comments at 4, ComEd Comments at 21.

¹⁹ Arcadia Comments at 10.

The Long-Term Plan is updated once every two years and the solar market can evolve quickly. It is critically important that the Agency have the flexibility to adapt and respond to changes in the market, including new marketing techniques and offer structures, as well as changes in the broader world, such as the COVID-19 global pandemic. The Agency does understand that it may take companies some time to update their practices to be compliant with changes in consumer protection requirements. In its Brief on Exceptions on the Revised Long-Term Plan, the Agency proposed a 45-day lead time that would apply to general changes, while immediate implementation would still be permissible for emergency circumstances.²⁰ The Commission explicitly approved this approach in its final order approving the Revised Long-Term Plan in Docket 19-0995:

[Carbon Solutions Group] makes a reasonable suggestion regarding the time it takes to implement consumer protection changes - that a 45-day lead time for the implementation of changes be adopted. In its Brief on Exceptions, the IPA suggests that this lead time should apply to general changes, but that the IPA should still maintain an emergency pathway for immediate implementation of new or modified consumer protection requirements when warranted. The Commission notes that the IPA also commits to enforcing program requirements in the case of immediate implementation by considering practical challenges. The Commission finds that these proposed modifications to CSG's suggestion are appropriate and the approach outlined in the IPA's Brief on Exceptions is adopted.²¹

The Agency does not believe that the new requirement in Section 1-75(c)(1)(M) of the Act, which directs the Agency to propose “program terms, conditions, and requirements” through the Agency’s Long-Term Plan, undermines this approach in any way. While the Agency is now required to include its consumer protection requirements in its Long-Term Plan, the law does not prohibit updates to consumer protection requirements or materials between Plans as appropriate,

²⁰ Docket No. 19-0995, IPA Brief on Exceptions at 16-17 (Jan. 24, 2020).

²¹ Docket No. 19-0995, Final Order dated Feb. 18, 2020 at 62.

assuming those updates are consistent with Commission direction. The law cannot be read to hamstring the Agency's ability to protect consumers and, as the Commission recognized in Docket 19-0995, "specific implementation issues should largely be left to the IPA."²²

6) Adjustable Block Program

A select set of changes made to the Agency's proposed approach for implementing the Adjustable Block Program are outlined below.

Requirements for Interconnection Agreements at Part I for Community Solar Projects

The Agency has received feedback from stakeholders requesting the removal of the requirement that all projects must include a fully-executed interconnection agreement at the time of Part I application in order to demonstrate sufficient project maturity. These comments are not new; similar comments were made and arguments raised in the approval of the Agency's Revised Long-Term Plan in Docket No. 19-0995. Certain stakeholders (generally, the interconnecting utilities) have repeatedly commented that the Agency's interconnection requirement has caused significant back-up within the interconnection queue and is not truly demonstrative of project readiness. Stakeholders have argued that in order to have an executed interconnection agreement in place, community solar project developers have submitted such an overwhelming number of applications to the utilities that the executed agreement is no longer an accurate representation of project maturity. Instead, community solar project developers have interconnection agreements in place that are based upon inaccurate interconnection costs, as preliminary cost estimates are based upon the development and improvements that are expected to be made by other projects further ahead in the queue. As a result, developers do not have real insight into the project's actual

²² Id.

interconnection cost, and therefore no real marker of whether a project's development is actually feasible at that location.

The issues with the interconnection queue as they relate to the development of community solar projects are not insignificant. The Agency recognizes that as a community solar project developer often has inaccurate interconnection cost estimates based solely upon queue position, the developer has no insight as to whether the project is actually viable from the standpoint of interconnection cost. As a result, these community solar interconnection agreements are not a valid indicator of project maturity. The filed Plan reflects this reality and removes the requirement that an executed interconnection agreement is required for the completion of a Part I community solar application. Instead, community solar projects will be required to demonstrate that they have received a certificate of completion or permission to operate at Part II. The Agency is optimistic that this will result in simplified management of the interconnection queues which will provide a better representation of potential projects and more accurate estimates of interconnection cost estimates. The Agency continues to believe that an interconnection agreement is an appropriate marker of project maturity for distributed generation systems over 25 kW, and the requirement that those projects provide an executed interconnection agreement at the time of the Part I application.

Allowance for Upward Adjustment of the Capacity Factor at Part II in Limited Cases

The Agency received comments requesting that the ABP allow for the increased adjustment in the capacity factor for a project from Part I application to Part II application, which has been traditionally prohibited in the program. The commenter explained that system design changes between Part I approval and the as-built system may result in the use of a more efficient system or the change in the particular inverter used. The Agency is sensitive to the concerns

surrounding the changes to system design that may occur between applying a project to the program and building a project, particularly as global supply chain issues continue to affect the solar market nationwide. As a result, the Agency has made changes to this filed Plan that will permit an Approved Vendor to increase the capacity factor at Part II application upon a satisfactory demonstration through the submission of additional documentation that modifications to the system design justify the increase. However, in no case will the change in capacity factor allow for an increase in the REC quantity beyond that which was approved at the Part I stage.

Changes around EEC Category

The Agency received comments from stakeholders surrounding the advancement of capital for Equity Eligible Contractors (“EECs”). One commenter specifically requested that the Plan provide additional detail on the process for the advancement of capital; accordingly, the filed Plan has been updated to include additional detail on the process for application for advance capital, demonstration necessary to trigger disbursement, invoicing, and payment. Additionally, stakeholders requested that the Agency increase the amount of capital available for advancement from 25% to up to 100% of the REC contract value, as to be determined by the Agency on a case-by-case basis. The Agency believes that a capital advancement of up to 50% of the REC delivery contract value will sufficiently balance the needs of EECs to overcome financing barriers. The Agency will continue to evaluate whether this is an appropriate threshold for advancement of capital funds in the future.

7) Competitive Procurements

For competitive procurements—used to support the development of new utility-scale wind, utility-scale solar, and brownfield site photovoltaic projects—P.A. 102-0662 creates new obligations for the Agency to “encourage participating projects to use a diverse and equitable

workforce and a diverse set of contractors.” Under new subparagraph (P) of Section 1-75(c)(1), the Agency must optimize the procurement of RECs from utility-scale projects located in communities eligible to receive Energy Transition Community Grants. Section 1-75(c-10)(3) directs the Agency to develop requirements for applications and include in its bid evaluation methodology preferences for bidders that utilize a higher percentage of equity eligible contractors.

Utilizing these qualitative evaluators constitutes a significant shift from the previous competitive procurement process, through which qualifying bids were evaluated and selected on the basis of the lowest bid price, mirroring the approach outlined in Section 16-111.5 for energy procurements. Commenters offered a wide range of solutions for how best to incorporate these new qualitative preferences, and the Agency ultimately settled on the following approaches.

To “optimize” procurement from Energy Transition Community Grant areas, the Plan proposes that bids received through competitive procurements for proposed projects located in Energy Transition Community Grant communities would receive a downward price adjustment of 10% of the lowest bid received for use in ranking bids received, thus making those bids more competitive on the basis of price. For example, if the bidder of a project located in an Energy Transition Community Grant community submits a strike price of \$65 and the lowest bid received is \$50, then the Energy Transition Community Grant bidder would receive a downward price adjustment in its bid of \$5 (10% of \$50). The price adjusted bid of \$60 would be evaluated against all other bids, and if selected the Energy Transition Community Grant bidder would receive the initial bid price of \$65.

For equity eligible contractor preferences, the Agency will first require that all qualifying bids demonstrate compliance with the minimum equity standards under Section 1-75(c-10). Based on review of the equity compliance plan submitted by a bidder, the Agency would then identify

bids that demonstrate comprehensive compliance *above and beyond* minimum requirements and propose a bid evaluation price adjustment that increases as the portion of contract value flowing to equity eligible persons or contractors increases above those minimum equity standards. This bid evaluation price adjustment would be on a sliding scale based on the equity eligible commitment above the 10% minimum requirement. For example, if a bidder commits to using equity eligible contractors for 50% of the project’s development, then the price adjustment would be based on the ratio of 50% to the 10% minimum (or 5 times the amount of the minimum equity commitment).

These price-based adjustment approaches allow for the mechanics of bid selection—specifically, rank-ordering bids on the basis of price—to remain in place, thus providing for both continuity with prior selection processes and transparency into how qualitative preferences are applied in rank-ordering bids.

Also new for competitive procurements is a requirement that projects selected through competitive procurements “must be from facilities built by general contractors that must enter into a project labor agreement.”²³ This raises the question at what point in time that project labor agreement (“PLA”) is required from a developer. Based on feedback received from comments that a) PLAs are generally not executed until close to the development timeline and b) utility-scale wind and solar projects are presently experiencing significant development delays (often due to regional transmission organization interconnection queue-related delays), the Plan proposes requiring PLAs 60 days prior to the start of facility construction. While still longer than the 30

²³ 20 ILCS 3855/1-75(c)(1)(Q)(2).

days prior to construction standard sought by certain commenters, the longer period provides more opportunity for a thorough compliance review and opportunity to cure any observed deficiencies.

8) ILSFA Public School Participation

In its draft Plan, the Agency proposed that on a going-forward basis, all photovoltaic projects located at a public school would be prohibited from participating in the Illinois Solar for All Program, and instead would only be eligible for the Adjustable Block Program's new Public School category. The Agency received comments from stakeholders who were concerned about this proposal, including a request for a grace period to allow public schools that may have already started working on an ILSFA application to remain eligible for the ILSFA Non-Profit and Public Facilities ("NP/PF") subprogram. The Agency has considered this request and determined that allowing for a grace period for public schools in this situation is an attractive solution which allows for a shift in the transition of requirements across both programs. A grace period will provide for a smoother transition between the exclusion of public schools from the ILSFA program and participation in the ABP, while recognizing that a potential project already under development may have been designed differently if participating in ABP instead of ILSFA. As the Agency has no objective means of determining whether a public school has already started working on an ILSFA application as suggested by commenters, the Agency believes that allowing for a one-year grace period for any public school to participate in ILSFA provides a reasonable middle ground. Chapters 7 and 8 of the filed Plan have been updated to reflect that a public school project may submit an application for participation in the ILSFA NP/PF subprogram in Program Year 5 (June 1, 2022 – May 31, 2023); in Program Year 6 (June 1, 2023 – May 31, 2024), all public school projects must apply to the Adjustable Block Program. Any public school project application in ILSFA that does not receive a REC contract under that program may re-apply to the ABP, provided

that no public school project may submit an application to the ABP while an ILSFA application for the same project remains pending.

The Agency also received a comment that connections should be made between the Carbon Free Schools Initiative and the Public Schools category. While the Agency agrees that there are many opportunities for public schools under the provisions of P.A. 102-0662, the Carbon Free Schools Initiative sits outside of the Agency's purview and Plan process, and therefore no adjustments have been made to the Plan to provide for the development of connections or preferential treatment through project selection for public schools that participate in that initiative.

9) "Stranded Customer" Concerns

While not directly resultant from any single commenter's comments, the filed Plan proposes an approach to addressing "stranded" customers in Section 7.7.1. A new issue that has arisen since the last Long-Term Plan is the creation of "stranded" ABP distributed generation customers when an Approved Vendor goes out of business, is having financial difficulties and unwilling or unable to pass through promised REC payments, or is suspended as a disciplinary action and prohibited from advancing projects through the application process. This "stranded customer" may be left without an Approved Vendor to advance their application through the review process or to pass through promised REC payments from the contracting utility.

The Agency seeks Commission approval of the Agency's approach to stranded customers: the Program Administrator works with the affected customer and, if permissible under the customer's existing contract, helps the customer find a new Approved Vendor that is willing to take on the customer's project. The Agency's primary concern is a positive resolution for the customer, including, if possible, a path forward for their project to be completed, approved as part of the ABP, and for the customer to receive promised REC payments.

The Agency believes that the option of referring customers to a specific Approved Vendor (likely an aggregator) that is willing to take on stranded customers is the best option available. Many customers will not have the time, interest, or ability to find a new Approved Vendor on their own, especially because the customer may not understand the Program well enough to explain the situation to other Approved Vendors. Furthermore, the Agency's understanding is that most Approved Vendors would not be interested in taking on stranded customers because the limited financial benefit to the Approved Vendor is not worth the inconvenience. If the customer does wish to find a new Approved Vendor on their own, rather than use the Approved Vendor to whom the Program Administrator refers them, they can still do so.

10) Community Solar Subscription Size Adjustments

In Section 9.5 of the Long-Term Plan, the Agency is proposing a modified approach to Disclosure Form requirements when an Approved Vendor or Designee adjusts a community solar customer's subscription size. Under existing requirements, a new signed Disclosure Form is required for any change in a customer's community solar subscription that is larger than 2 kW or 10% of their current subscription size. The Agency received feedback from stakeholders requesting additional flexibility to change subscription sizes without requiring the customer to sign a new Disclosure Form.²⁴ Commenters suggested that this would allow community solar providers to right-size subscriptions based on new information or change in electricity usage and would facilitate providers keeping their projects fully subscribed. The Agency proposes to allow greater flexibility for adjusting subscription size in some circumstances, paired with a notice requirement to the customer.

²⁴ Arcadia Comments at 13-14. While not specifically referenced, the Agency understands that these comments are only applicable to customers subscribed to a project within the Traditional Community Solar category, rather than the Community-Driven Community Solar category.

Specifically, the Agency proposes that a) for subscriptions where the customer pays a set percentage of their community solar bill credits as their subscription fee (guaranteeing a set percentage level of savings), subscriptions may be increased or decreased by up to 5 kW or 25% without requiring a new Disclosure Form; however, the Approved Vendor or Designee must notify the customer for adjustments more than 2 kW or 10%; b) for all other offer structures, the existing size restrictions (the greater of 2 kW or 10%) will continue to apply. The Agency believes that this compromise allows greater flexibility while still setting out guardrails to minimize the opportunity for gaming by Approved Vendors seeking to maximize payments under REC contracts by adjusting subscription sizes at the end of an invoicing period.

PROPOSALS NOT ACCEPTED/ITEMS UNCHANGED FROM DRAFT PLAN

While all comments were reviewed, analyzed, discussed, and considered, not all proposals were adopted. In the following sections, the Agency has chosen to highlight several issues unchanged from the Draft Plan. Although the Agency did not adopt proposals seeking changes to these items, it genuinely appreciates the efforts made by parties in attempting to further improve the Agency's Draft 2022 Long-Term Plan.

1) Community Solar Project Selection Process

Although the filed Plan features several modifications to its project selection scoring system, some parties argued against the use of a scoring system altogether. Most notably, the Joint Solar Parties “strongly oppose point systems” due to uncertain outcomes and potential delays.²⁵ Instead, the Joint Solar Parties suggested that “project maturity, as measured by the last date of the site control documentation, the effective date of the interconnection agreement, and the land-use

²⁵ JSP Comments at 11.

permit (if required), as a secondary screen” be utilized to distinguish between qualifying projects submitting applications on the same date.

While the Plan now provides more favorable treatment for projects “that have been waiting longer to go forward” under its revised scoring approach, it rejects the use of project maturity as the sole tiebreaking criteria. The Agency is reluctant to decide between competing applications solely on the basis of qualitative criteria (such as interconnection agreement effective date timing) that a) has no express support in statute and b) does not appear to constitute progress toward an important policy objective. Thus, while original interconnection agreement effective date is one element considered in the Plan’s proposed project selection approach, project maturity was rejected as the sole means for distinguishing between applications deemed equivalent under a “first-come, first-serve” sorting process.

2) REC Pricing

The Agency considered, but did not adopt, several other proposals on REC pricing received in comments. These include:

- Reducing the value of the federal Investment Tax Credit received to 80% of that value under the assumption that not all customers would be able to fully utilize the tax credit. In setting REC prices, the Agency believes that it should model an efficient system, and that would be one that can fully utilize tax credits. By lowering this value, the REC pricing model would then overcompensate a system that fully utilizes the tax opportunities available to it.
- Creating separate REC prices for systems that feature third-party ownership (e.g., leased or financed through a Power Purchase Agreement) rather than are owned by the host. A preliminary analysis by the Agency indicated that the impact of modeling different

ownership models would only have about a \$2/REC impact on prices. The Agency remains interested in this a potential future adjustment, but it may first require further analysis and verification of cost impacts (and other intended or unintended consequences of having REC prices differentiated by financing structure) before adoption.

- Several commentors expressed concerns about the cost-based aspect of the REC pricing model and indicated an interest in moving to a more market-based REC pricing approach. While the Agency appreciates the limitations that are inherent in any modeling exercise, it remains unclear how a market-based approach could work in practice. Baseline REC prices still need to be established and determining the correct market signals that would indicate a need for a change in price would have to be developed. The Agency would need to differentiate between signals that indicate a price adjustment is warranted, versus those that might be indicative of other factors, such as the seasonal nature of residential solar sales.
- Several commentors advocated for additional community solar small subscriber adders. Given changes to minimum small subscriber requirement enacted through P.A. 102-0662, the Agency has now included an adjustment for the cost of acquiring and maintaining small subscribers into the base REC price rather than having it as a separate adder based upon the level of small subscribers attained. Community Solar projects now must have a 50% minimum small subscriber level and the REC price model accounts for that level, which will allow for a diverse set of subscribers to community solar projects. The Agency does not believe that a further adjustment is needed to incent higher levels of small subscriber participation.

- The Agency is aware of ongoing concerns related to increased materials costs due to ongoing global supply chain issues. At this time, the Agency is not adjusting REC prices for that reason as those costs may improve over time. The Agency will continue to monitor market trends and will use its authority under Section 1-75(c)(1)(M) to adjust REC prices up to 10% if it determines that program participation is being negatively impacted.

The REC prices presented in the Plan represent the Agency’s best efforts to model REC prices with the data and information it had available to it. As was the case with the Initial Long-Term Plan, the Agency expects aspects of the REC Pricing Model, including inputs and other assumptions, will again be a contested issue in this proceeding. The Agency will be open to consideration of adjustments to the model that are supported by the presentation of data or are represented by well-reasoned methodological arguments.

3) Large Customer Self-Direct Program

Several commenters sought changes to the Large Customer Self-Direct Program bill crediting methodology outlined in Section 1-75(c)(1)(R)(4) of the Act and explained through Section 6.5 of the Plan. While some commenters seemed to understand and accept the proposed crediting approach, others sought for the program to provide a full refund of volumetric RPS charges back to the qualifying customer²⁶ or to otherwise provide for a more generous crediting value than authorized by the law.²⁷

For background, Section 1-75(c)(1)(R)(4) provides for a “reduction in the volumetric charges collected pursuant to Section 16-108 of the Public Utilities Act for approved eligible self-

²⁶ See, e.g., IMEA Comments at 1-3.

²⁷ See, e.g., ComEd Comments at 4-11.

direct customers” as those customers’ benefit for self-direct program participation. As that qualifying self-direct customer pays reduced volumetric RPS charges, the overall RPS budget is reduced accordingly based on qualifying self-direct customer participation, and less funds are available for all RPS program and procurement activities. By law, that reduction, or “credit,” is required to be calculated as “equivalent to the anticipated cost of renewable energy credit deliveries under contracts for new utility-scale wind and new utility-scale solar entered for each delivery year after the large energy customer begins retiring eligible new utility scale renewable energy credits for self-compliance.” (emphasis added)

Most notably, the credit back to the customer expressly cannot include “costs associated with *any* contracts entered into before the delivery year in which the customer files the initial compliance report to be eligible for participation in the self-direct program” (emphasis added) or “costs associated with procuring renewable energy credits through existing and future contracts through the Adjustable Block Program, subsection (c-5) of this Section 1-75, and the Solar for All Program.”²⁸ Thus, the IPA understands that under this large customer self-direct program, a given delivery year’s available RPS budget—which is adjusted downward based on a reduction in collections from self-direct customers, through bill crediting—cannot be reduced through bill crediting in a way that reduces funds that would otherwise be used to meet these expressly off-limits classes of expenses.

Commenters seeking more generous self-direct bill crediting failed to reconcile their preferred approaches with these express statutory limitations. By law, self-direct bill crediting is calculated *only* reflecting *future* utility-scale wind and utility-scale solar procurement expenses,

²⁸ 20 ICLS 3855/1-75(c)(1)(R)(4).

and expressly not “costs associated with procuring renewable energy credits through existing and future contracts through the Adjustable Block Program, subsection (c-5) of this Section 1-75, and the Solar for All Program” or any other contracts “entered into before the delivery year in which the customer files the initial compliance report.”²⁹ This provides a defined universe of contract types for which costs *can* be utilized in establishing self-direct customer bill crediting levels: expenses from utility-scale contracts executed after program qualification. By law, those expenses—and only those expenses—may be credited back to qualifying self-direct customers through a reduction in volumetric RPS charges.

Providing a more generous credit than would be provided using only authorized contract types inherently reduces funding available for the Adjustable Block Program, Illinois Solar for All Program, and utility-scale contracts in place at the time of participation. Similarly, the immediate establishment of a bill crediting level upon qualifying participation (as sought by multiple commenters) reduces the RPS budgets available to support the Adjustable Block Program, the Illinois Solar for All Program, and utility-scale REC delivery contracts executed prior to self-direct program, directly contradicting the language of Section 1-75(c)(1)(R)(4). As these approaches are inconsistent with the express limitations found in Section 1-75(c)(1)(R)(4), the filed Plan’s bill crediting methodology remains generally unchanged from the Draft Plan.

4) HVDC Project Participation

P.A. 102-0662 included new language into Section 1-75(c)(1)(I) of the Act stating the Agency may qualify RECs “associated with the electricity generated by a utility-scale wind energy facility or utility-scale photovoltaic facility and transmitted by a qualifying direct current project

²⁹ Id.

described in subsection (b-5) of Section 8-406 of the Public Utilities Act to a delivery point on the electric transmission grid located in this State or a state adjacent to Illinois,”³⁰ but only if the public interest criteria scoring is satisfied. One commentor (Joint NGOs) sought a change to the IPA’s approach regarding the eligibility requirements for RECs associated with electricity transmitted across qualifying high voltage direct current (“HVDC”) transmission lines, arguing that the public interest scoring criteria should be applied at the *point of generation* (i.e., the site of the underlying renewable energy project) rather than at the *point of delivery*, as the Draft Plan had proposed.³¹

While the Agency appreciates that applying public interest scoring at the point of generation would ensure that all projects qualifying for the Illinois RPS provide a baseline level of benefits back to Illinois residents, it would also reflect of the scoring approach in effect *before* those changes to the law—or absent those changes ever having been made—and thus render P.A. 102-0662’s HVDC-line related changes superfluous. As a matter of statutory interpretation, the Agency believes some effect must be afforded to this change to adjacent state project qualification, and scoring HVDC line-qualifying projects based on the point of delivery provides the most sensible reading of this new language that carries substantive effect.

5) Equity Eligible Contractor Database Comments

Enacted through P.A. 102-0662, Section 1-75(c-10) of the IPA Act introduced a new requirement for participants in the Agency’s programs and procurements under Section 1-75(c): achieving a Minimum Equity Standard, a minimum percentage of the project workforce that must

³⁰ Section 8-406(b-5) of the PUA defines a “qualifying direct current project” as a “high voltage direct current electric service line that crosses at least one Illinois border, the Illinois portion of which is physically located within the region of the Midcontinent Independent System Operator, Inc., or its successor organization, and runs through the counties of Pike, Scott, Greene, Macoupin, Montgomery, Christian, Shelby, Cumberland, and Clark, is capable of transmitting electricity at voltages of 345kv or above, and may also include associated interconnected alternating current interconnection facilities in this State that are part of the proposed project and reasonably necessary to connect the project with other portions of the grid.”

³¹ See Joint NGOs Comments at 2-3.

qualify as equity eligible. Under Section 1-75(c-10)(4)(E), the Agency may issue waivers of this requirement in rare circumstances for entities that have made “significant efforts” toward meeting the Minimum Equity Standard.

Several commenters on the Draft 2022 Long-term Plan requested that the Agency create a clear definition of “significant efforts,” either through demonstrated use of the forthcoming Energy Workforce Equity Database or through some type of local benchmark based on a local, defined level of availability of equity eligible workers or contractors.³² The Agency declines to introduce such a narrow interpretation of what qualifies as “significant efforts.” The statute lists several examples that may be evidence of such efforts, introducing the list with the word “including” to imply that the list is not exhaustive. One of those examples is in fact “use of the Energy Workforce Equity Database,” but that is just one of several examples. Furthermore, the statute directs the Agency to “support applicants in understanding the Energy Workforce Equity Database and *other resources* for pursuing compliance of the minimum equity standards.” (Emphasis added.) The Agency concludes that use of a single approach would not suffice as “significant efforts” when seeking a waiver of the Minimum Equity Standard.

6) Illinois Solar for All Income Verification Self-Attestation

The purpose of the Illinois Solar for All Program is to “bring photovoltaics to low-income communities”³³ in Illinois—the target population is low-income communities. The statute defines “low-income households” as “persons and families whose income does not exceed 80% of area

³² See, e.g., Invenenergy Comments at 6 (“[F]or each delivery year, there is some knowable quantity of equity eligible persons or equity eligible contractors below which the MES cannot be reasonably expected to be achieved, and thus, should be waived.”); Clean Grid Alliance Comments at 13 (“In the event the [Energy Workforce Equity] database is not fully operational, applicants and Sellers should be allowed to submit waivers.”).

³³ 20 ILCS 3855/1-56(b)(2).

median income, adjusted for family size and revised every 5 years.”³⁴ The Agency has offered several means through which potential customers may demonstrate their income eligibility in the Long-Term Plan, including participation in another low-income program. However, some commenters urge the IPA to accept a self-attestation as verification of income.³⁵ Commenters posit that the reduced paperwork burden and simpler application process would increase program participation, and point to other government agencies that have begun accepting self-attestations as proof of income. However, the Agency believes that the government interest in ensuring that the significantly higher REC incentives offered through ILSFA go to the intended communities outweighs the conjectural increase in participation that may come through a simpler income verification process. The Agency has proposed several strategies for addressing the lengthy application process, including a pilot that would directly reduce the income verification process complexity. Given these other proposed steps, the Agency declines the suggestion to accept self-attestation at this time.

7) Adjustable Block Program—Portal Enrollment

The Agency received comments in response to its Draft Plan surrounding the duplicative nature of requirements to enroll subscribers in both the utility subscriber portal and the program portal. Commenters suggested that the Agency remove the requirement to enter subscriber information into both portals in order to alleviate the duplication of administrative efforts. The Agency notes that the requirement to include subscriber information in the program portal is utilized to manage and verify compliance with program requirements, including tracking

³⁴ Id.

³⁵ See ILSFA Working Group Comments at 21 (“[T]he Working Group strongly recommends the Agency begin to utilize income self-attestation to verify households’ income eligibility.”).

subscription levels for projects to calculate REC payments and ensuring compliance with program requirements surrounding consumer protections and the proper use of standard disclosure forms. The enrollment of a subscriber in a utility portal is necessary to enroll the customers with the utility for purposes of effecting the subscription and beginning net metering—an entirely different purpose from the program portal enrollment. While the Agency would be open to solutions that increase administrative efficiency, concerns about customer privacy and data exchange have prevented the Agency from developing a unified approach. The Agency would consider a method by which both processes could be managed from one portal, but is unaware of a workable solution from a technology standpoint that would satisfy utility concerns regarding the sharing of customer data and information. Accordingly, no changes to this process have been adopted in the filed Plan.

PROCESS & SCHEDULE

As referenced above, the law provides that “[w]ithin 14 days after the filing of the initial long-term renewable resources procurement plan or any subsequent revisions, any person objecting to the plan may file an objection with the Commission”—leaving a deadline for Objections of April 4, 2022. The law also provides that “[w]ithin 21 days after the filing of the plan, the Commission shall determine whether a hearing is necessary.” That 21-day deadline falls on April 11, 2022.

While 120 days for Commission consideration is more than the Commission is afforded for the consideration and approval of the Agency’s annual procurement plan, it still leaves parties with an expedited timeline. The Agency also understands that the Commission meeting scheduled for approval of the Plan may be scheduled for Thursday, July 14, 2022, five days before the conclusion of this 120 day period. In recognition of these challenges, the Agency developed the

following proposed schedule to (hopefully) accommodate the needs of the hearing officers and any interested parties:

FILING DATE:	Monday, March 21, 2022 (statutory)
OBJECTION DUE DATE:	Monday, April 4, 2022 (statutory)
HEARING DETERMINATION DEADLINE:	Monday, April 11, 2022 (statutory)
RESPONSES TO OBJECTIONS:	Wednesday, April 27, 2022
REPLIES TO RESPONSES:	Wednesday, May 11, 2022
EVIDENTIARY HEARING (IF NECESSARY):	[sometime in this timeframe]
PROPOSED ORDER:	Wednesday, June 8, 2022
BRIEFS ON EXCEPTION:	Friday, June 17, 2022
REPLY BRIEFS ON EXCEPTION:	Friday, June 24, 2022
COMMISSION DECISION DATE:	Thursday, July 14, 2022
“DROP DEAD” DATE:	Tuesday, July 19, 2022 (statutory)

Based on the comments received through the formal comment process, the Agency does not believe an evidentiary hearing is necessary for the consideration and approval of the Plan.

In addition to the undersigned attorneys, the IPA requests that the following individuals be placed on the service list for the resulting docketed proceeding, each of whom agree to electronic service pursuant to Title 83, Section 200.1050 of the Illinois Administrative Code (the Commission’s Rules of Practice):

Anthony M. Star
Director
Illinois Power Agency
105 W. Madison St., Ste. 1401
Chicago, Illinois 60602
Anthony.Star@Illinois.gov

Doug Stinner
Bureau Chief – Planning and Procurement
Illinois Power Agency
105 W. Madison St., Ste. 1401
Chicago, Illinois 60602
Doug.Stinner@Illinois.gov

In addition to the appendices included with this Plan, the Commission and other parties may wish to review certain items published on the Agency’s website (www.illinois.gov/ipa). These include native RPS budget Excel files for more fulsome budget modeling, a downloadable version of the Agency’s REC pricing spreadsheet, an annotated copy of the Consumer Protection Handbook

highlighting key changes, and a red-line copy demonstrating changes between the Draft Plan and filed Plan. If not available at the time of filing, those files will be made available shortly thereafter.

CONCLUSION

The Illinois Power Agency's 2022 Long-Term Renewable Resources Procurement Plan is consistent with the requirements of Sections 1-56(b) and 1-75 of the Illinois Power Agency Act, Section 16-111.5(b)(5) of the Public Utilities Act, and any other relevant portions of the Public Utilities Act and the IPA Act. As the 2022 Long-Term Plan "will reasonably and prudently accomplish the requirements of Section 1-56 and subsection (c) of Section 1-75 of the Illinois Power Agency Act," it should be approved by the Commission. The IPA reserves the right to file responsive comments and any corresponding edits to the Plan, and respectfully requests its 2022 Long-Term Renewable Resources Procurement Plan's approval.

Dated: March 21, 2022

Respectfully submitted,

Illinois Power Agency

By: /s/ Brian P. Granahan

Brian P. Granahan
Kelly A. Turner
Sarah Duffy
Rachel Granneman
Illinois Power Agency
105 W. Madison St., Ste. 1401
Chicago, Illinois 60602
312-814-4635
Brian.Granahan@Illinois.gov
Kelly.A.Turner@Illinois.gov
Sarah.Duffy@Illinois.gov
Rachel.Granneman@Illinois.gov

STATE OF ILLINOIS)
)
COUNTY OF COOK)

VERIFICATION

Pursuant to 83 Ill. Admin. Code 200.130 and 735 ILCS 5/1-109, under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this Verified Petition to are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he verily believes the same to be true.

A handwritten signature in cursive script, appearing to read "Anthony Star", is written over a horizontal line.

Anthony M. Star

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Power Agency	)	
	)	
Petition for Approval of the IPA’s 2022	)	ICC Docket No. 22-_____
Long-Term Renewable Resources Procurement	)	
Plan Pursuant to Section 16-111.5(b)(5)(ii)	)	
of the Public Utilities Act	)	

NOTICE OF FILING

Please take notice that on March 21, 2022, the undersigned, an attorney, caused the Illinois Power Agency’s Petition for Approval of the IPA’s 2022 Long-Term Renewable Resources Procurement Plan Pursuant to 220 ILCS 5/16-111.5(b)(5)(ii), the 2022 Long-Term Renewable Resources Procurement Plan itself, and the appendices thereto to be filed via e-Docket with the Chief Clerk of the Illinois Commerce Commission in a new proceeding:

March 21, 2022	<u>/s/ Brian P. Granahan</u> Brian P. Granahan
----------------	---