

14:00:13 Ladies and gentlemen, on behalf of the Illinois cow agency I'd like to welcome you to today's virtual stakeholder workshop for the Illinois adjustable block program.

14:00:23 This is the workshop that is focused on the rep graph contract development process, presenting with me today is Julie eventers, as well as Christian Park from the Mirror, mirror st pecan administrator for the agency, and also with us, is the director

14:00:44 director of the ITA Mr. Anthony star chief legal counsel. Mr Brian grant a hand as well as the deputy legal counsel, Miss Kelly tour.

14:00:57 Before we get started here on today's workshop, I would like to invite Mr. Anthony star to give a few words to kick us off there to start.

14:01:07 Right. Thank you Mr. T and welcome everybody to this workshop, especially those of you who participated in the morning workshop I know this is a long day with a lot of information, but with the opening of the festival block program coming up on December

14:01:22 14. There are a lot of significant issues and items to go over and get stakeholder feedback on. So these workshops are part of that process and appreciate everyone's participation.

14:01:34 This morning we covered specific.

14:01:37 I lost a better word programmatic aspects of the opening of the adjustable block program that is that possible through the enactment of the CJ.

14:01:47 And this afternoon we're going to focus on the wreck delivery contracts that are inherent part of the program. And the updates to those contracts necessary to bring them in to compliance with a new provisions of the law.

14:02:01 So we have a lot of material to cover today, this will be really highly technical, so we appreciate your patience as we work as we go through the items that were introducing in the refresh direct contracts, as.

14:02:14 And then this is obviously an overview there will be opportunities for written comments specifically on the rare contracts that will be discussed later in the presentation.

14:02:22 Thank you.

14:02:24 Thank you Mr star to kick us off here, we'll have a couple of spikes just for housekeeping purposes, and here on this slide one is just a disclaimer. So as Mr star mentioned, or alluded to, we're gathering here today.

14:02:41 the cost of some updates or changes related to the seizure or more colloquially known as the climate and equitable JOBS Act, and more formally known as public at 102 dash 0662.

14:02:58 So the purpose of the workshop is to discuss the contracts that are being developed, and the draft agreements that were posted were posted this past, earlier this past Tuesday.

14:03:19 On October, 19 2021, and the government documents for this process will include primarily the IPA act as modified by public act, 1020662, and the draft agreements that were posted.

14:03:32 You will bed a full responsibility for reviewing and understanding the drop agreements to have them as I will explain, and any statements that we make on this call on this workshop that describe or refer to the drop agreements and governing documents

14:03:49 your song is only me and qualified in the entirety reference to these documents, you can download the contract materials the presentation as well as the recording on the abp website.

14:04:04 The link is provided to you here. And certainly the posting will occur, right after this workshop so that you can use them as reference as you develop your comments to the contracts.

14:04:17 In terms of making comments on this call, as well as to ask questions, you can ask your questions either using the chat function but we will really stop at three points in time.

14:04:32 So I'll explain when we get to the next slide on the agenda.

14:04:37 And to facilitate your comments, or getting your comments, you simply will be prompted when the time comes to unmute yourself but before you can do that you have to raise your hand so that we can prompt you and the individuals unmute an orderly fashion,

14:04:56 and it will become fairly intuitive, once we get into the q amp a session or sessions, I should say.

14:05:03 When you get there, and we will repeat some of these instructions again at that point in time.

14:05:12 For purposes of the materials that you'll be reviewing, you can find them all on this website address is provided up top, and you will once you get there, you will see on the top left corner of Section newness the first draft of the seizure.

14:05:32 Right contracts in general dentists for the climate and equitable JOBS Act.

14:05:36 That was enacted this mid September, and the recording, as well as the presentation itself will be posted online as well. On this site for the agenda for today, we have about 55 slides, for those of you who are following and set aside three hours to go

14:05:58 over the presentation and to get your comments and questions for the whole workshop today itself is going to be fairly explanatory, I'm going to explain to you, not just the contracts content itself, but also the process, how to proceed to get us a day

14:06:19 to day 90 of when the law was enacted, which is on December, 14, you've heard a lot about the block opening.

14:06:31 On December 14 in the earlier session this is kind of a continuation of that focused on the contract development process.

14:06:38 We will go over the rec contract structure, and then have a deep dive into the two contracts that are being proposed contract one and contract to four different categories of the abp, you have learned earlier this morning that they are now six categories

14:06:56 within pvp. We have split them up in a way where some of the categories will find contract one and others will fall into contract, two, and then we'll have a time to recap, the difference between contract one and contract to.

14:07:14 And in terms of when the small structure q amp a sessions will occur.

14:07:20 Besides having one right at the end, we're going to have a break between sections, two and three. Once I described to you, the context, the process for the common process, as well as the general rep basics and structure, we'll take a break there.

14:07:38 Before we jump into contract one and contract two elements.

14:07:47 But in each of those sections three and four, dealing with specific contents of the contract, we will again Stop to take questions, so that we at least three points in time where we will take questions.

14:07:59 So in terms of the contract development process.

14:08:03 So, to provide some context of the process itself this process started a long time ago we did not just start this content development process.

14:08:15 When the seizure was announced or inactive.

14:08:21 But really, from the original record contract that is possible and currently in use by stakeholders that original contract was posted on January, 28 2019, that contract itself has undergone many multiple stakeholder workshops and common processes to get

14:08:41 that and subsequent to that in all of 2020, we have spent an enormous amount of time. Under what I call the refresh rate contract development process to refine and to improve the 2019 read contracts.

14:08:58 So that process was pursuant to the update of the initial long term renewable resources for common clan, or what we call the revised plan.

14:09:08 This was fall by the IPA before the Illinois Commerce Commission and was approved by the Commission and the date of the final posting compliance posting the revised plan was on April, 20 of 2020 that revised plan proposed a substantial refresh to the

14:09:32 2019 contract.

14:09:35 And, which is what we did in most of 2020 with the various multiple stakeholder workshops and common process that process itself, while was conducted in 2020, the work product or the end product of that.

14:09:54 Refresh rep contract development process was not finalized, you do not have a refresh rep contract to us, principally because at that point in time.

14:10:05 The abp has no new block openings to introduce this new refresh rate contract. And this seizure provided us now with a new rep block opening for the abp that will take place on December 14.

14:10:24 Not only did we undergo a refresh and rec contract process in 2020.

14:10:31 It was also contemplated at the time that we will not finalize the refresh rate contract for the EP, but we'll wait for the Illinois solar for all contract.

14:10:44 Refresh process to be complete first and then to incorporate any additional enhancements improvements, based on stakeholder feedback into a VP contract.

14:10:57 So, this is to say that we have come a long ways we have done a lot of improvements on the processes and the requirements and streamlining the contract based on Justin stakeholder feedback.

14:11:08 Up to this point in time. The final Illinois solar follow for all wreck contract was posted this past June June 7 2021. And that has many of the enhancements and improvements that were introduced at finalized pursuant to the stakeholder feedback processes

14:11:28 that we have conducted, and the rep contract for the Illinois or for all has many of these features applicable to the adjustable block program as well.

14:11:40 So that is the starting point for which we are getting the contract development process here kicked off.

14:11:51 On September, 15.

14:11:54 Again, this is the date for the enactment of when the seizure public at 1020662 was signed into law.

14:12:05 And it includes significant changes to the adjustable block program, including updates to system requirements and introducing new categories for ADP.

14:12:18 It has with that as well. Changes to payment structure, as well as delivery terms, yes some categories with 15 years in the returns, some categories with a 20 year delay return, and we will get to that decision also introduced two types of requirements.

14:12:38 In addition to what you have seen thus far, which new are being introduced by the seizure of each other, PWA and DC requirements prevailing wage act as well as

equity eligible on track the payments.

14:12:53 we have talked a lot about that in this morning's workshop, we will touch lightly on them here.

14:12:59 But you will see how they will interact with the program requirements, as well as the contract requirements.

14:13:10 So, this is just a timeline on slide seven here of the process that was that has taken place in 2020, specific to the MVP. This started as early as April of 2020.

14:13:28 And the last time you have provided comments to us, which we have taken into account have considered the merits and have incorporated was in September of 2020 that has undergone two rounds of written comments just for the PvP alone.

14:13:47 And again, the Illinois solo for all program what it is a separate distinct born from the abp, it has undergone a similar rep contract with fresh process.

14:13:58 And that refresh process result was the contract posted on June seven, and it in very high level to the very high level that process, and that wreck contract integrates approve changes in the revised plan.

14:14:18 It has shorten or simplified the rep contract it used to be a lengthy contract that use the ABA Katya me Master direct purchase and sale agreement as a base but now it's just a self contained document, which is very different from the 2019 contract that

14:14:37 you're used to, currently using.

14:14:41 We have also clarify calculations that may be ambiguous.

14:14:47 Clarify deadlines that may be unclear, as well as triggers for system rules and events of default, as well as provided some flexibility surrounding your periods and extensions.

14:15:03 Before we will remove systems and we're also fairly clear about what the penalties would be if certain requirements are not mad at the system has to be removed from the agreement.

14:15:17 Overall, we have also consulted both you and the utilities in terms of how we can streamline the contract administration process. So we have made several enhancements or improvements related to the administration of these contracts, a summary of these

14:15:35 changes before we even get to seizure. The summary of these changes in that we're kind of in the revised plan or alluded to a reference in a revised bandwidth incorporated includes the several points, not all of them are listed here but these are the

14:15:52 main ones. First, we have instituted what we call a quarterly payments cycle so in between 19 contract that all of you are used to.

14:16:03 Once your system is energized you kind of have to wait for the right for a period to occur but you're four times in a year in which you're going to get P.

14:16:13 So I'm going to revise plan, and under the refresh my contract process we have implemented what we call 40 payment cycles to allow for earlier payment once your system is energized, you could potentially be paid in the month following college ization.

14:16:29 We have instituted provisions for termination for convenience, this is to allow abs, who have participated or applied for the abp and realized that your system will never be energized for whatever reason, and provide you some steps that you can pick to

14:16:49 just remove the process early, instead of waiting indefinitely for the projects that to be built when it, you know, you will never build it, or energize

that we have clean up or clarify the level requirements, as well as made it very clear that upfront

14:17:10 payment of the collateral feminists required in all cases, including for the projects that are already energized and also provide a week we for your lettuce of credits to be reduced the letter of credit amounts we reduce the lead author to be released

14:17:32 back to you in exchange for with help payments that are due to you once your project is energized.

14:17:41 We have provided a cure period.

14:17:45 When it comes to community solar projects under the existing program structure, you need to meet a minimum of 50% subscriber rate, meaning that 50% of the actual capacity must be subscribed by subscribers, as defined under 110 of the Illinois, more in

14:18:08 and the 50% rule is required for both energy ization, as well as what you need to maintain at the end of the first year of operations.

14:18:20 And if you cannot meet that we allow for some chocolate as well as some flexibility.

14:18:28 And on top of that to other things that we did pursuant to the refresh rate contract process pursuant to the revised plan is to clarify the dispute resolution section of the contract that now allows for the IP to act as a mediator.

14:18:50 If there is a dispute between the utility and the A, B, or the seller and buyer, under the contract.

14:18:59 In terms of the last point here is Justin, talking about payment quantity.

14:19:05 And to make clear that for purposes of payment for purposes of considering what your contract obligations are year by year, the capacity factor that will be using will be based on the lesser of either the proposed nameplate capacity times department capacity

14:19:22 factors proposed or the actual meeting capacity and the part to capacity factor that is being submitted so the lesser of the two will be what payment is based on is also what and how we will lock down the contract nameplate capacity and the contract capacity

14:19:43 factor.

14:19:46 One last night here on the summary of changes pursuant to the refreshment contract. These are the changes kind of that we did, enhance the contracts pursuant to your feedback and dia, to allow for some flexibility, regarding how we look at the quarterly

14:20:05 payment adjustments. Under the abp for community solar projects, instead of just basing all of the payment elements, related to the subscription mix and the subscriber rate on the last day of a quarterly period, we are allowing for also an alternative

14:20:27 set of values to be used basically to type to the average of the 15 hires daily values observe for the subscription make sense subscriber we.

14:20:39 We have also clarified that Rex we begin a transfer to the utilities get an Emirates account. Prior to energize ation during the pot to application evaluation process.

14:20:53 And once it is energized, it could be counted towards your delivery obligations.

14:21:01 In terms of the failure to meet the initial delivery obligations, you do have the deadline that once the system is energized, you must deliver your first rep to buyers, get to Emirates account within 90 days if your system is large and 180

days if it

14:21:19 is a smaller system, and failure to meet that we have provided some clear stats in terms of the representation. So you need to make, by the time your annual report is submitted, as well as what happens if within a set time we still did not receive your

14:21:37 first record from the system up to energize ation.

14:21:53 We have provided or streamline reps and warrants within the contract to simply focus on confirming that the wrecks meet the program requirements so your system need the program requirements and that all environmental attributes are transmit window Rex

14:21:59 to the utility.

14:22:01 We have introduced as you can appreciate endemic as a false measure event if it is declared by the World Health Organization.

14:22:10 And lastly, the big items that we have here is just to distinguish between system removal triggers from event of default triggers, you don't have defaults will be to contract.

14:22:22 And this is kind of different from system rules if there are systems specific issues and we have to remove the contract, but will not lead to a drastic termination of the contract.

14:22:36 And then. As of mid September, we have introduced our rather the public at 102066 to the seizure, as been enacted and came on the scene, providing certain changes to the adjustable block program key provisions of the seizure, or rather the IP act as modified

14:23:02 by the seizure, that will lead to the adjustable block program are provided here these are not the full scope of the things that will affect the adjustable ballroom, but he said a key sections for your reference which is a reference and convenience with

14:23:18 providing them here so that you can refer to them as you make your comments, anything that are listed in the seizure. In the IP, that the team should abp to us, those are statutory requirements that are non negotiable.

14:23:35 Our hands are kind of tied to that, but we're providing these references here so that you can appreciate what we can move and what kind of set at this point in time.

14:23:47 So, let me go in the next two slides, regarding several changes that are required or been brought about by seizure. So seizure introduced six categories.

14:24:05 From the pre category sector used to from 29, from the 19 you have to small distributed generation category, a large distributed generation category, as well as what I will call so that we can keep the language Street between us as we discuss these contracts,

14:24:25 what I call traditional community saw this is not a term that is used in seizure. This is a term for convenience so that you and I, We can be talking about the same thing.

14:24:37 And we refer to these categories.

14:24:41 I'll talk about what is changed from what you're used to, and then I'll talk about the new categories that are added. So, from these three categories from 2019, what seizure did was to change the kilowatt demarcation from 10 kw for small big to 25 kW.

14:25:01 And for large and dingy it now starts at 25 North Penn kW. And it runs to five megawatts, not to megawatts, which is what you were used to from 29.

14:25:14 So, then applies to the large DJ projects but also for what we call the

traditional CS projects, while the more the new law provides for a limit of 5000 kilowatts or five megawatts for the traditional CMS, just want to note for you up front that the application

14:25:35 for these traditional CS at this time is limited to 2000 kilowatts, for the upcoming block opening. So, you will kind of not see the 5000 kilowatt maximum limit hit until several years out, and we can discuss this later on but this is just to give you

14:26:00 a heads up, due to the weakness and where we are, what we are looking at for the upcoming block opening.

14:26:07 So the new categories that are being introduced by the seizure includes a category for systems that are installed at public schools.

14:26:19 And this will include both distributed generation systems as well as community so systems installed that public schools.

14:26:29 It will also include something called a community driven community solar projects or category, as well as these different distributed generation and economies or projects with an EC or equitable equity eligible contractor, which we will talk about as

14:26:56 well. So this presentation today will discuss the draft read contracts as updated by the seizure s post on October, 19 which you can find on the ebp website.

14:27:10 So, what you see are two contracts being proposed, and we are going to split the abp contracts, going forward for purposes of the block opening into the 15 year contracts and the 20 year contracts, we call them 15 year and one year contracts for convenience,

14:27:31 but really what is driving the split is because of the different payment structures. So, first as provided by seizure. The 15 year term contracts will include the small big, a large big, and the new category known as the community driven community solar

14:27:52 category.

14:27:53 These are not only 15 year contracts.

14:27:57 They are featuring a payment terms that are paid up front, either over four years or over six years. So that's how we are thinking about splitting the contract structures between a 15 year, and 20 year contract for the 20 year term contracts will include

14:28:15 the traditional CMS projects company solar projects, as well as the projects that are installed at public schools, these contracts or this contract form features a PS deliberate structure as required by seizure.

14:28:34 And so that's basically how we have thought about splitting them up, and then the EC category, to us, it's more because it interacts with the other five categories there this to us is more than layer on top of each of those categories so it will be it,

14:28:55 etc type of a contract you can call it or provisions that will apply if he kicks in, but it will be applied to one of these existing five categories that are there.

14:29:12 Over on to the next slide here this is just a recap of where we are up to this point in time, just telling us and reminding us that this record contract has provided on October 19 incorporates input from a very lengthy stakeholder process.

14:29:38 That was not only for MVP but also through the iOS fe comment process as well. So, the refresh rep contract comment process has driven a lot of improvements that you see.

14:29:53 And then it has been updated now include new statutory requirements from

this feature.

14:30:00 A few things before we move further on, you have heard about this in the morning session, or we did here again, which is peace read contracts will be applicable to the current block openings for the adjustable block program due to open on December 14.

14:30:15 It is envisage, it is contemplated that the IPA will fall its next long term renewable resources plan sometime in January of next year to be approved by the Illinois Commerce Commission.

14:30:30 By July of next year. So, that is expected to be contract revisions paid to what is fleshed out in the next long term plan. So, for purposes of why we're gathering here today is sort of to just get us to the Dean of the law for the opening of the new

14:30:55 blocks and abp, and you can expect that in a year from now, we will revisit the contracts, integrate any new requirements pursuant to the next long term plan revision, as well as any thing that may be mandated by the ICC related to that proceeding.

14:31:15 In terms of the common process, again, the bright line for us is to get to December 14 with the final contracts posted for the EDP block opening, we are where we are today, with a stakeholder workshop.

14:31:32 This is to discuss the first rep contract that was posted on October 19 two drops of them that were posted for those categories that I just went through two slides ago.

14:31:45 Your comments are due to us.

14:31:48 By November 4, we envisage for two stakeholder written common process to take place, you will issue the second draft. On November, 10, incorporating the merits of the content and the suggestions of this first draft common process that will lead us to

14:32:07 a second draft comments Do you on December 2. This will kind of get us a little bit of time before we have to lock things down by December 14 so as you can appreciate.

14:32:21 This is a very intense process, there's a very short timeline to do these things we have a path going into December 14.

14:32:32 And this process started. Not now, but started way back in 2008 20 with the refresh rate contract process and cooperating many of your input already. So we are in a good place to get us to December for King but we will still require input from you to

14:32:52 refine and to finalize these contracts.

14:32:57 So, in terms of contract management, after this point in time, one EV has a contract, presumably with one utility.

14:33:07 That is the structure that we have the refresh rate contract has never been introduced as I have said earlier, due to no opening the opening of new blocks there's no opening a new blocks, since we have started that process but now we have a new law and

14:33:24 the new opening of blocks. So, with that. A few things to make clear, whatever that we introducing these new contracts will not affect the transactions under the original tonight 10 contracts, they have a powerful have your own will continue to subsist

14:33:41 on your own at this point in time, you will not affect those transactions there any batches approved by the Commission, after the posting of the final contracts will follow these new terms.

14:33:55 So potentially us the AV will have three contracts with a utility, you have the original 2019 contract for existing batches.

14:34:06 And then you could have a refresh contract one or a refresh contract to, depending on the category of of your projects that are being submitted and approved for inclusion in the contracts and the abp.

14:34:23 So before I go into the details of the contract structure I want to remind you where you can find information. So we're now. Switching gears to talk about the draft contracts themselves so the first draft was provided on October 19, the website address

14:34:44 is provided up top, you click there, you'll find these two headings, the one to the left, is what you want to focus on the first draft of this to read contracts.

14:34:58 With that, we have provided two drops. Read contract one first draft and read contract to first draft, as well as the contract.

14:35:08 Comment process document or request for stakeholder comments document that will provide you the email address the timeline for submitting your comments, as well as some notes to help them navigate the structure of these two contracts.

14:35:26 On top of that, we have also provided for you, red lights. So, a first red line is just contract one versus two basically, I will explain what the base agreement is in a little bit.

14:35:43 But the reason why we have a red line of contract one and the base agreement is because contract one follows very closely to the structure of the basically and if you take nothing away from today's discussion, besides the fact that contract one is almost

14:35:59 identical in terms of the provisions for your existing 2019 agreement that's the big message. There's not much has changed. Besides, what are the required items from seizure, and there's not many of them.

14:36:13 The second is a more substantive different constant conceptual framework that is being implemented a contract to.

14:36:24 And for that we have provided a red line between contract one and contract to for your review inconvenience.

14:36:32 The cross contract one primarily deals with lump sum payment and upfront payment contract to deals with a PS delivered concept, and it has implications throughout the contract with regards to how you think about delivery obligations how you think about

14:36:49 invoicing and payment how we think about the annual obligations and surplus racks and collateral so we'll get to all of that in a little bit, but that is why the two red lines are provided in the we for your meaningful review.

14:37:05 So, in terms of the red line a couple of things to provide for you. First, the base agreement. We talked about this several times now about the basically and basically minutes, basically, what is currently used by the abp for the from the 2019 contract.

14:37:25 Because the contract itself, you don't call it the making contract, we call it a base agreement because the 2019 contract follows a different structure, from what the refresh structure has been introduced to be so the refresh structure is one long contained

14:37:44 documents, the section references have changed way used to find certain elements are no longer there.

14:37:51 So what we did was to create a basic agreement with the same content for 2019, but to move some of the sections around so that by the time we do a comparison

written nine for you, it becomes a meaningful document that you can see what actually change

14:38:20 in terms of the documents. This is kind of explain it the header of the contract as well the draft contracts will have the red lines and the header will explain that. The second item to note is, we have included for your convenience some of these, what

14:38:26 so no two drops. So the notes to drop will include as footnotes, the references to the IPA act, where we got the language from our where the provision arise arises from so you get some context for why we are making those changes.

14:38:52 So if you do not see some of these MTV News, and you don't find them in a law, it is likely an improvement we made pursuant to the refresh my contract process that was implemented in the iOS app as well, since last year so you can kind of get a sense

14:39:09 for what is from the law, this is what is from the refresh rate contract process.

14:39:18 We will take a break fairly soon, and I can accept your comments but here I want to end off a few things related to the comment process first and then we will talk about contract structure in the next couple of slides so in terms of the common processes

14:39:35 is just a reminder you find them in the contract documents as well, commented documents as well, which is you don't, the materials here on this web link that is provided.

14:39:46 We ask that you provide your comments to track changes as well. If you can, with some explanatory know why you're suggesting edits to a particular section, we do that either to a separate document or you can just simply noted for us.

14:40:04 The rationale and higher highlights in track changes in your document but do ask what is most meaningful is your prep changes to the contract with edited a very visible to our student we know exactly what you're after, and the language, the bulls.

14:40:31 Just ignore your comments will be posted online, and the comments will be reviewed by the members of the agency, as well as the program administrator that will come in and ministry to their staff of the Illinois Commerce Commission as well as the utilities

14:40:40 company content, as well as an American energy company.

14:40:46 In terms of the structure I will kind of go through these fairly quickly because I do want to get to the meat of contract one and two, and take a break before that.

14:40:59 So I'm just going to walk through the refresh rate contract structure. For those of you who have been following us since last year, this is not going to be a surprise with repeated miss some of these slides for the cost of the stakeholder workshops before,

14:41:15 Some of these slides for the course of the stakeholder workshops before, but just want to lay out for you. The new structure has 15 articles and six extroverts, the key ones that will make up the meat and potatoes of the obligations that I'm highlighting

14:41:26 for you our section two related to any system requirements section for related to your delivery obligations when the first record must be delivered, when and what must be met on a delivery delivery a basis before you get a drop down or penalties and false

14:41:46 force, and how surplus racks are created and can be covered for, we have

section five dealing with invoicing and payment obligations invoicing by up man by the utilities.

14:41:59 And then we have section six related to reporting requirements. Section seven related to credit a collateral requirements, and what it means to hold collateral on a portfolio basis as performance assurance.

14:42:16 And when you're going to get your collateral back once you post them in terms of the exhibit.

14:42:24 Exhibit A is really the form of the product order.

14:42:28 And we have a couple of schedules tied to that, at a system level for most of them.

14:42:33 We have the Schedule A to be filled out.

14:42:39 When your system is included in a batch that has been approved to be entered into the contract section or scheduled be to the product order. Once your system is energized and you're submitting a project for part two application approval process.

14:42:56 We have a schedule C that provides a list of the projects in the product order, whether they are removed or whether they're active, whether they have been energized, or not.

14:43:07 And then a scheduled the, which provides, or a forum for the removal of designated systems.

14:43:15 Exhibit B, as contact information and must be filled out by buyer and seller so that you know how to contact each other and administer the contracts exhibit C has a couple of the forms, provided for reporting and notices which kind of know and get a sense

14:43:35 of what is in there in terms of what is required to be reported. They are not set in stone but it gives you a sense of what we're looking for.

14:43:42 Excellent D has some simple invoice, that is provided. He has p security instruments basically the letter of credit and labor for transfer and XWF will contain examples for this first go around we have deliberately taken out some of the examples some

14:44:00 of the exhibits, so that we can help focus you on just a mean body of the agreement, these examples and exhibit, if you're not there right now, will be supplemented in the next version of the draft contracts, but for purposes of getting through to the

14:44:19 next comment process we really want to focus you on the substantive changes that have occurred because of seizure, and the improvements that were brought in that you may not have seen but you have talked about in the last year or so.

14:44:36 In terms of the structure. So you can see that more graphically, we deal with these different relationships throughout the contract structure. So when we look at the AV and the utility, there are three utilities involve Heaven, Illinois, combat and mid

14:44:53 American, and the tunnel party important thing to know is, is going to be one of these independent thing you do is it will not be the IPA.

14:45:06 So be very clear on this for the abp you know be signing a contract with the IPA, even though the program itself is administered by the IP.

14:45:18 Be agreements will contain

14:45:21 multiple batches, and within each batch will contain multiple systems. So again, each batch will aggregate systems, and present them before the ICC for approval.

14:45:36 And each batch is considered one transaction within the contract framework,

and the transaction is memorialized in a product order.

14:45:47 And each product order will contain multiple systems, each system will have its own specific schedule is can you be NFL requesting a removal of a better schedule the for the removal system schedule in will contain information that is proposed by you,

14:46:04 as approved by the ICC scheduled be will be system, specific information recorded at energize ation in the park to stage,

14:46:27 all sort of break this down for you in a different way. On this like 24, which is we talk about things going to pop ups as a batch level and system level, and the contract operates and these levels.

14:46:31 So the portfolio level is between me and the utility us a seller utility as the buyer, this is what we mean at a portfolio level, you're going to have one contract that governs many projects.

14:46:44 But that contract is what we call the portfolio level, the batch level is what gets aggregated into a batch, that gets put in a product order again within a batch or product order could have multiple systems.

14:46:59 And these are executed when the batch is approved by the Illinois Commerce Commission, the 3d of the product order is the date of the commission cuckoo batch into the contract.

14:47:13 And then within each batch.

14:47:16 As I said you have multiple systems, each system will always have these schedules. A and B at a minimum, at a designated system level, you will have key information related to the specifics of the designated system.

14:47:32 I'm not going to go through this in detail. I kind of touched on this before but this slide here is provided for your reference so that you can refer back to this slide.

14:47:43 After the workshop, but it's kind of self contained within the contract framework that you're used to at this point in time.

14:47:55 In terms of the roadmap for those of you who are joining new to the abp you not sure what this is about. You're looking forward to the new contract or the opening of ADP, the roadmap is such that, the first step is for you to apply to the MVP.

14:48:14 And once your application is approved approve the systems that you designating to be within the batch, that gets aggregated will be presented to the ICC for approval.

14:48:29 Once the batch of systems is approved by the Illinois Commerce Commission, then you will enter into a contract within seven days.

14:48:41 And the collateral is due within 30 days of the ICC approval trade be for each batch, that is approved, you will have a product order.

14:48:54 And within each product order and each system for each system, you will have, at a minimum schedule a prepared and filled out to be attached to the product order one for each system.

14:49:07 And that's sort of what the blue icon is about. And then you will have time between the blue and the green steps to develop your project, and to energize your project.

14:49:22 So this is also kind of thought off when you think about the brown step is the stage one, and then you entered into the contract, and the green step is where you will submit information for part two of the application of Google process.

14:49:39 Under the abp system so energized by it to be energized.

14:49:44 You have to undergo a part two application process for each system

separately.

14:49:50 One of the key characteristics or requirements, is that you must set up for a standing partner with gas or Emirates.

14:50:07 And at that point, once it is energized the scheduled be will be prepared for your system you can come on at any point in time.

14:50:07 But usually there's a timeline for when you must energize your systems, whether it's a community solar project or a big project.

14:50:16 Once part two is approved.

14:50:20 And, and the system is energized, you are eligible for payment at that point in time for contract one again, it features lump sum payment, some payments would be to energize ation for sure.

14:50:33 And then there will be a portion or could be a portion that will be paid over either a four year period or six year period. If your systems a larger community solar project.

14:50:45 Hundred percent of it will be paid up front for smaller systems.

14:50:50 In terms of contract to it is paid as delivered.

14:50:54 So, as you deliver your projects will have quality period, you account for those wrecks, you will then repeat after the 40 period has concluded in the wrecks accounted for.

14:51:10 We talked about the payment cycles a little bit before, but the, to be clear, I just want to put this in upfront and will repeat this several times in this presentation is contract one will feature these Quality Payment cycles, given cycle, A, B and C,

14:51:29 so that you can get paid earlier as your systems, energized and you don't need to wait for these four times a year to be paid for contract to because the mandate from senior is to align with a June 1, and December 1 look back for the subscription rates.

14:51:50 We have align the quality periods to be with what we are currently used to something in 19, which is aligning these coordinators, with the delivery planning period.

14:52:03 We will have after the system has been energized and Rex have been delivered undergo an annual review process each under contract one, I will not repeat this for those of you who have been following us and have existing contracts, it's going to be the

14:52:23 same, or contract one for contract to, we will introduce a process for you to understand exactly what Rex will be retired will be returned. What will be considered surplus Rex to be prioritized for payments in the following delivery year, and we will

14:52:41 get to that.

14:52:43 So at this time I'm going to take the first q&a break have three that are planned for this session.

14:52:52 I know some of you have reached your hand.

14:52:54 So, we will just take a very quick look at who is there but if you have questions, clarifying in nature ask you to raise your hands now. But I would also ask you to hold off any specific questions related to contract one and contract to until we have

14:53:16 completed the presentation on those two sections in the upcoming slides, but anything that I have covered so far that are not a deep dive into contract wanting to.

14:53:28 You may ask you questions now.

14:53:31 And again to do so, we ask that you raise your hands and you we Julie Riveters will queue up will announce your name. It's when you can unmute yourself.

14:53:44 Great. Thank you, Ben. So, I see that some people have questions via the chat.

14:53:51 If you would like to see those questions go ahead and raise your hand if you do not, then I'll try we'll try to go through these questions that you have sent in the chat but we will be going over the questions from attendees that raise your hands first.

14:54:08 So first I will allow Kim Hanks to ask her question So Kim you'll get.

14:54:17 You'll get a prompt to unmute yourself now.

14:54:30 So, Kim Are you, are you there.

14:54:45 Okay, looks like.

14:54:48 It looks like you may not have a question anymore if you do just send us a chat or raise your hand again and we'll talk so again if anybody does have any questions, and would like to say them out loud, go ahead and raise your hand, and we'll go over those

14:55:05 first.

14:55:06 So, I'm Karen best told I will, you'll you'll get a prompt to unmute yourself.

14:55:14 If you'd like to ask your question.

14:55:24 Karen you may unmute yourself.

14:55:30 Oh, did you ask me.

14:55:32 Yeah, I can ask your questions now.

14:55:40 Okay, Karen go ahead with your questions or comments.

14:56:01 be able to hear you Karen if you're still there.

14:56:03 Please unmute yourself and ask your questions or comments. Thank you.

14:56:18 can maybe we have lost Karen, Judy, this.

14:56:27 Yes, yes.

14:56:36 Can you hear me now. Yes,

14:56:41 you loud and clear Karen.

14:56:44 Okay, I can't hear you guys but I'm, I'm having headphone problems.

14:56:49 We deal with partners who do the work for sunrise.

14:56:54 And I'm just curious. Is there going to be changing the paperwork that you guys are requiring to review and how this affects us And will the system go down for until December 14, and just want a little bit more dumb down information on that.

14:57:20 Yes.

14:57:22 Maybe I'll take that at a high level. So, this contract provides for requirements, between you, as the seller and the utility, primarily, there could be other changes for programmatically.

14:57:37 But those are instructions who come from the program administrator inclined at a later time. But to the extent that we can throughout this wreck contract process we are keeping a lot of the process.

14:57:53 As it stands, to the extent is applicable and we don't need to make a change from a bad this is Anthony star from the IPA. This this said this webinar is about the wreck delivery contract that's the contract between approved vendors and the utilities,

14:58:09 so that PayPal any paperwork and exhibits that Ben is describing, are those contractual are part of that contractual relationship. The process of submitting a project application of the part one or Part two is not what we're discussing this afternoon.

14:58:25 And generally speaking, other than things that are relevant to the new categories or new requirements such as compliance with the prevailing wage. Those are being handled separately, and most of the most of the core aspects of the program application

14:58:40 and are changing the most significant what I would think I interpreted paperwork would be prevailing wage.

14:58:55 So Karen and respond to that. Do you have any additional comments or does that answer your question.

14:59:03 You guys can hear me with my microphones, not going on well but yeah, that does

14:59:09 too.

14:59:12 Okay, great. Sounds good. So aside from that I don't see anybody raising their hands right now but Gino really you asked a couple of questions via the chat.

14:59:23 I will give you the opportunity to say them out loud. If you don't say anything that I'll just go over the ones that you sent.

14:59:43 Gina you can unmute yourself.

14:59:51 Okay. Jenny you want to take some of the questions and read them out loud and I can go over them. Yeah, of course, Ben. So the first question from Gina with.

15:00:00 Can you remind me what he stands for.

15:00:03 Okay.

15:00:04 eV stands for the approved vendor.

15:00:09 And it's typically how we talk about the applicant to the MVP process, and who we envisage will be the seller signing the contract with the utility.

15:00:23 And then a couple of other questions for from Gino again are. The first one is arch, the traditional community filler quote current block opening block five.

15:00:37 And then he didn't answer that.

15:00:40 Or, at one level, the answer is yes that the box that closed for traditional community solar were blocked for. However, the thing I would want to note there is that the act prescribes the price for which project, Trisha community solar projects that are

15:00:57 going to be selected. whitelists will be priced at, and that is not the regular 4% decline between blocks it's specified in the act of the 10% change so the block structure of using your appeal is so the change between prices does not quite apply in a

15:01:13 traditional sense, plus for those projects there is a specific new process by which those projects are selected again that was one of the things that were discussed in this morning's workshop and not really in the scope for this afternoon.

15:01:29 And then Geno's, our third question is, if it's contract to for traditional community solar.

15:01:38 The answer to that is yes, upon the block opening on these other 14, the traditional community solar will be under contract to.

15:01:50 Okay, great. And then, given that people are not raising their hands currently I'm just going to read through a couple of additional questions we have received.

15:01:58 So the first one comes from LA Juno and her question is so now all systems, even submitted after PTO will be required to pay up front collateral.

15:02:10 Yes, that is true it's something that was invitation the revised long term plan and need clear to the refreshment contract process.

15:02:21 All systems. Once you have the systems aggregating the batches and approved by the ICC collateral is do, whether your system is energized or not within 30

businesses of the ICC approval.

15:02:39 Okay, great, and then a couple of other questions so from Brian session writer, I assume that the current supply chain is being taken into consideration with regard to the timelines and penalties.

15:02:55 I can answer that in two ways. One is that under the current contracts, we the extensions are being granted that take those into account. In terms of the time allowed for energy ization which is 12 months for dg projects 18 months for community solar

15:03:12 projects. That is a provision that's contained in the revised long term plan, and therefore, is not being changed for this refresh contract. Now we're going to be revising the long term plan again, releasing a draft in January for Commission approved

15:03:26 by July of next year, we may take into consideration development times it can read proposed changes there but that would be something that'd be down the road and not applicable to the contract were discussing this afternoon.

15:03:42 And the last question that we have received so far is from Dylan, to be honest, he, and the question is for approved vendors with three direct contracts.

15:03:50 How will delivery obligations and cannot all be treated across the three contracts.

15:03:58 And it's a good question.

15:04:00 In terms of the collateral.

15:04:04 And the contracts so each contract. Once you're set up the independent contracts, and you'll be administered independent independently and so quickly.

15:04:19 So right now those are all the questions we have received so far, or one one more question, actually. So, from Daniel bird free.

15:04:32 Just to, she just wants to confirm that if the contract is expected to be completed prior to the December 14 reopening this rec contract will be applicable to all projects patched under the new program opening and not applicable to any whitelisted projects.

15:04:50 That is that is right, we know that's incorrect to that. I think the question was is was winter with it.

15:04:59 There's a double negative in there, but all projects coming up after January, sorry December 14 will be under the new contract, and many projects currently on the waitlist whose ability to receive direct delivery contract is authorized by the changes

15:05:16 in the law.

15:05:26 So Daniel I've given you the opportunity to say to respond to that. If you have any additional questions if not we will move on.

15:05:38 Sorry yeah if you could just repeat that one more time. So, there is the ability for projects that are currently sitting on the waitlist to be held to the provisions under this rec contract, is that correct them.

15:05:57 Yes, currently on the waitlist. If they're being taken off through the block reopening that occurs on December 14, or through, you know, applications thereafter are governed by the new record delivery contract.

15:06:12 And that's something if you look at the block reopening provisions of the law there was very clear treatment regarding a waitlist and projects are to be treated.

15:06:18 So in order to ensure compliance with those requirements for whitelisted projects. Upon block reopening we need new travel instrument what we had previously.

15:06:32 Thank you.

15:06:36 In the interest of time, and trying to get through to the meat of contract one to maybe we will continue to move on from here, but we will stop at two more times to take questions and especially the last.

15:06:55 At the end of the conclusion of the presentation to afford a time to get your specific comments as well. So I ask that you hold on to your questions I know there are not many at this time, until we get to the second or the last q&a.

15:07:10 So with that, maybe, Judy, would you like to take us into a deep dive for contract one overview.

15:07:21 Oh yes, that sounds good, and just with respect to the questions. If you would like to say something or have a comment, go ahead and raise your hand once you raise your hand keep it on race like us until you're given the opportunity to talk, and then

15:07:43 can lower it so that we can keep track of who's raising their hands and would like to comment on anything. But right now, we'll move on to go over contract one first.

15:07:52 So I will be discussing the key elements relevant to contract law, and that's been explained earlier contract one is a 15 year contract that is applicable to a couple of the subcategories under distributed generation systems as well as community driven

15:08:08 community solar projects. This last one being a new category under the law.

15:08:16 So, as I go through the key elements of contract one one item that I would like to emphasize is that the key conceptual framework and the key time dimension for contract law and have not really changed since the 2019 abp contract and the refresh contract

15:08:33 process. So several of these items will be very similar to what you have seen in the past. So just a couple of reminders of the delivery year which a fetus throughout the contract runs from June 1 over a year to may 31 of the following year.

15:08:49 And there will be certain obligations that are on a delivery year basis, including the record, annual reports, as well as the system performance and jaw dogs for under delivery or underperformance.

15:09:03 The delivery term starts on the first day of the month following the day that the first wreck was delivered. And then 15 years thereafter.

15:09:13 To be clear, all eligible racks that are generated and trust reveal the Standing Order during the delivery Trump belong to the utility of the buyer contract party.

15:09:25 What is important to know about this contract is that it is not a one to one payment for the wrecks delivered rather we are after your wreck delivery obligations and all eligible Rex generated and transferred via the Standing Order throughout the 15 years

15:09:40 delivery term will be property of the buyer, and there will be an upfront payment to cover for at least a portion of those tracks and we'll be discussing the payment mechanisms the payment structures in a little bit more detail in a couple of slides.

15:09:57 So there are certain obligations that are done on a quarterly basis and contract one specifically, we have three different quarterly payments cycles and each designated system will fit into a particular payment cycle for the entirety of his contract term.

15:10:13 So these three different payment cycles were actually added as part of the refresh contract process last year, and that invoicing, and payment obligations will

take place on a quarterly cycle as well and this quarterly cycle will follow those specific

15:10:29 quarterly payments cycle the destiny assistant as part of.

15:10:34 If you have a community driven community solar project, there will be obligations to report, including the subscription mix and the subscriber rate during the first year of operations, and the percent of actual name capacity subscribe will be set up using

15:10:50 the standard order editor gestation, and then this standing order will be updated based on the subscription levels on a quarterly basis during the first year.

15:11:09 So for purposes of the contract. There will be two main phases, the development phase, and the delivery phase, and again these concepts have not really changed much since the original abp contract from 2019 of the refresh contract that was developed our

15:11:43 year, you will have either 12 or 18 months to build your system.

15:11:35 And there are considerations for one to 12 months will be applicable and when the 18 months is applicable. So that will be part of the development stage of the project.

15:11:45 So for example, if you have a community solar project you will have 18 months to develop your project, and there are certain circumstances that for an extension of the development development phase of the project before it is considered energized and

15:12:00 these are flesh out a lot more detail in the contract.

15:12:05 Once the system is energized, the energy foundation requires a standing order to be established and community driven community solar projects will also have a requirement that the percent of actual name thi capacities subscribe by small subscribers must

15:12:21 be at least 50% for the project to be considered energized, to be clear the standing order for the community during community solar projects will be based on the actual name pick capacity subscribed and will not be based on the percent of small subscribers.

15:12:37 However, at the time of enter gestation and at the end of the first year of operations, the percent subscribed by small subscribers must be 50%. So once the project is energized and wants the first record has been delivered, then the first, the 15 year

15:12:53 delivery term will start at Drexel be delivered for 15 years thereafter.

15:13:00 So a reminder all eligible Rex generated and trash reveal the Standing Order during the delivery term will belong to the buyer Counterparty which in this case will be one of the three utilities.

15:13:17 So in this slide 31, I will go into the payment structures in a little bit more detail. So the payment that you will receive will that will fall in one of three buckets.

15:13:29 So, if you're a designated system is a distributed generation system as it is smaller or equal to 25 KW, you will get an one upfront payment of 100% of all your Rex.

15:13:42 So, in general, and their gestation will trigger that payment and one item that I would like to flag here is that in the original abp contracts small, big or small distributed generation systems were 10 KW or less.

15:13:59 Now they'll be 25 PW or less.

15:14:03 The second payment structure will be for a system that is a distributed generation system above, 25 KW, and one that is on the waitlist. So in this case,

you will get an upfront payment of 20% and the remaining balance will be paid over 16 quarter two

15:14:24 periods so over the first four years.

15:14:27 And then the third bucket will be for distributed generation systems that are above 25 TW, and are not on the waitlist. Or, if your system is a community driven community solar project and in this case, there are no, the size limitations of 25 TW.

15:14:47 Do not apply.

15:14:48 So in this case, you will get an upfront payment of 15% and the remaining balance will be paid over 24 fraternity periods so that'll be over six years.

15:15:09 So, to finalize the explanation of contract one I would like to go over a key, a few key elements that have changed under contract one, as I mentioned earlier, conceptually this contract is quite similar to the original abp contract with the, with the

15:15:27 improvements that were made in the refresh contract from 2020. However, I would like to flag, a couple of items here. So first, prevailing wage requirement is included in the law, and so unless exempt.

15:15:41 Abs are approved vendors are subject to the prevailing wage requirement for the construction of the system.

15:15:49 Schedule a schedule be off your product order will say whether the prevailing wage requirement is applicable to a particular designated system.

15:15:58 And then the last couple of items that I would like to flag here are specifically, specifically affect the community driven community solar projects. So the two provisions are a follow so the first one is that previously the requirement was to have the

15:16:18 actual name to capacity subscribe to be at least 50% of that energy station. And at the end of the first year, this has not been updated to refer specifically to small subscribers.

15:16:30 So what this means is that at least 50% of the actual nameplate capacity must be subscribed by small subscribers at an RJ station. And then at the end of the fourth quarter the period, to be clear the standing order will still be set up at energize station

15:16:45 and will be updated on a quarterly basis during the first year based on the actual nameplate capacity on subscribed, not percent of small subscribers.

15:17:01 However, the small subscriber percentage at inner gestation, and at the end of the first year has been included in the updated law as an additional requirement.

15:17:06 The second provision that I would like to flag out is that if the actual nameplate capacity being subscribed, as measured at energize station or at the end of each quarter the period is at or above 90%, the percent of actual capacity being subscribed

15:17:21 at that point in time, she'll be deemed 100%, and that will help set up the standing order.

15:17:33 Okay, so this is the end of the presentation portion of contract one specifically. After this, we'll be discussing contract to in more detail but we will have set up aside, a little time to address your questions and comments, specifically about contract

15:17:51 one. So if you have any questions or comments please raise your hand, and we can go through those at this time.

15:18:32 All right, ladies and gentlemen, if you have a question, please raise your hand we will unmute you, and we will get started on this q&a rubric.

15:18:42 Junior anyone's hands.

15:18:46 No.

15:18:47 No, nobody else raised her hands a few people have send messages in the chat so we can go over those a moment.

15:18:55 Okay, yeah. Ladies and gentlemen, if you'd like to speak on the phone, do please raise your hands, and we can unmute you, for you to ask questions or provide any comments will start reduce that we're seeing right now that provided us to the chat.

15:19:12 g.

15:19:13 O yes So one question from Ralph Hamilton is will the 25 KW projects on the waitlist become smaller small projects. If so, what will be the payment change for that.

15:19:31 This correct projects tend to 25 kw range will be classified as small distributed generation projects and therefore have that payment cycle which is a single payment.

15:19:50 And then another question is from Roth Alby, I know CJ is driving these changes to be to the payment timing, but can you speak to the logic flash rationale for the changes or improvements.

15:20:09 These changes come as a result of legislation that was negotiated over several years, and the agreement of parties for those in those little in that legislation so the IPR role as the overall administrator of these programs in their eyes.

15:20:26 When they will fill up these contracts is to implement those changes that were greeted by parties and actor by the General Assembly.

15:20:33 Yeah, this is Brian I don't know, I'm trying to think if I can think of any nuggets or insights, through the process that would say well, because of SEO budget concerned and trying to make sure that things are handled a certain way.

15:20:49 This particular payment structure, looked more attractive in modeling and I don't know that I can think of anything in sort of defined way that I could point to along those lines, I would say, on situations like that.

15:21:02 Better to speak to representatives of your trade associations who are more directly involved in those negotiations I think these are the types of details that ultimately we want the outcomes of but can't really say why that's a preference of those parties

15:21:16 who are more directly negotiating those terms in the law.

15:21:28 Another question from Nicholas question is what are the wreck payments going to be for large tg and community solar.

15:21:40 So, for much DG.

15:21:43 They are going to be broken out into two different types of large DG. There are the large dg that are on a witness versus those that are not on a weakness.

15:21:56 So for those that are on the waitlist. It will continue to be a 20% upfront payment.

15:22:04 And the rest of the remainder balance will be paid out over four years. For those that are not on the waitlist and entering into contracts in new they will be subject to 15% upfront payment with 24 quarterly payments thereafter for the remainder of the

15:22:24 balance over six years.

15:22:27 that's the same with the community driven community solar projects and a contract, one for the community solar projects that are what we call the traditional community solar projects or community solar projects in at schools, the payment

structure there

15:22:46 will be on a PS to the basis and we will kind of get to contract to in the next section of this or portion of this presentation.

15:23:00 Another question from Ralph Hamilton is if we have an existing customer that already built in a VP 29 team as a small systems to the time kW. Will they be allowed to add on.

15:23:15 If, and then expand if they expand.

15:23:19 Will they be allowed to expand to 25 KW total or add additional 25 k w.

15:23:31 This is Brian, I think this is the sort of thing that would be good to have comments on for the workshop that was part of the mourning process.

15:23:39 I don't know that it falls in a certain the four corners of the contract development process here. This is more about how we would treat a project application that constant expansion of existing system so I would say as you prepare written comments for

15:24:01 November forth on the various open issues associated block reopening that's something that you might want to wrap into those comments.

15:24:16 Is it 15 years or 20 years. Yeah, okay. So, for the larger DG.

15:24:21 It is based on a lump sum payment feature.

15:24:27 And that is, over the course of 15 years, the delivery term, but depending on whether you're religious or not. Your payment structure could either be a four year lump sum payment structure or six year payment structure for the traditional community selected

15:24:47 his penis delivered.

15:24:50 And it is going to be a 20 year delivery turn.

15:24:54 And you're going to get PS, you deliver the racks, or the 20 year period.

15:25:06 We have one question that is not well it has to do with both contracts, I think we can cover it know Ben of so could you give it a what what exactly do you mean by collateral and could you give an example.

15:25:20 So could you give it a what what exactly do you mean by collateral and could you give an example. Yeah, sure. So, there are certain requirements known as collateral requirements so performance assurance requirements under the contract, those requirements

15:25:31 are a monetary amounts that are required, based on your system size and the type of system for you to put up, up from within 30 days of the execution of a product order.

15:25:48 Once the commissioners approve your project for inclusion into the contract within 30 days of that businesses have that you have to put up collateral, with a utility.

15:25:54 Those are capped by the utility and will be drawn upon, if there is a drawdown, or if there is a forfeiture of your collateral because you're removing your systems.

15:26:06 Are there any other triggers that require for the system to be taken out.

15:26:16 And, and that sort of sort of spelled out in the contract, but that's sort of collateral requirements that we are after there is not going to be for example it creditworthiness assessment.

15:26:29 You know, you don't need to be rated by SMP movies of Fitch, none of that we are looking at collateral to be collected in a form of either cash or a letter of credit to be posted with a utility to be held during the return of the systems, and while the

15:26:47 product owner is selected.

15:26:59 For all the questions that I am seeing so far. So, again, as a reminder to everybody. If you have any questions, please go ahead and raise your hand and we can give you the opportunity to say them out loud.

15:27:11 And if you do not have the audio or microphone working on your end then go ahead and send the chat and we'll go over your questions.

15:27:19 Okay.

15:27:20 All right. So, in the interest of time, I'd like to move on to maybe the last section but continue to. If you have a question that is that you want answered continue.

15:27:30 Keep your hands raise, send them to the chat, and we will talk about them.

15:27:37 In about 10 slides from now.

15:27:39 So, into this section, I will invite Mr Christian park to give an overview of the rec contract elements.

15:27:50 Great. Thanks, Ben. So, now go over the details for the draft read contract to, and before we get started just want to quickly recap that the applicable categories under this contract are going to be the traditional me solar projects, as well as dg and

15:28:13 CS projects installed at public schools.

15:28:09 So here on slide 35 we go ahead and review the different key time dimensions under contract to starting with the delivery.

15:28:16 So under contract to the delivery will still be from June 1 through May 31, and rec reports do will be do after each delivery year that's not a change key difference here will be under, under contract to that following the system performance review all

15:28:34 wrecks on paid for by the utilities will be returned after the end of each delivery or delivery term under contract to will now be 20 years instead of 15 and all wrecks generated during the delivery term will be transferred to buyer under contract two

15:28:53 systems will be subject to fixed quarterly periods. So not the quarterly payment cycles that were previously discussed and invoicing and payment obligations will also follow quarterly periods.

15:29:06 Lastly, community solar projects will be subject to buy annual assessments, aligning the quarterly periods.

15:29:14 In order to assess the subscription levels, which will align with the quarterly periods. So there'll be more info about that later on.

15:29:23 Moving on to slide, 36, there will be two main phases for each system under contract to similar to contract one. Following the trade date of the product order ABS will have 12 to 18 months of a development phase to, to develop the system and such timeline

15:29:40 may be extended.

15:29:43 Once the system has been developed and energized, the standing order will be set at 100% of the contract nameplate capacity, their systems will be under a 20 year delivery term.

15:29:54 Note that all Rex generated during the delivery term will be transferred to utilities and RECs not eligible for payment will be returned after the end of each delivery year

15:30:07 contract to is quite different in its payment structure features a pay as delivered payment structure, so it's a little bit of a departure from contract ones upfront payments.

15:30:18 So to reiterate contract to will make payments on a fixed quarterly basis,

over a 20 year delivery term.

15:30:25 And the fixed quarterly periods are as follows, June through August September through November, December through February and March through May, if the system is it can be solar project invoices will be subject to a subscription percentage assessment,

15:30:41 each delivery are based on the subscription, the subscription levels observed at two points in time, namely the first business day of June, and the first business day of December.

15:30:52 Each delivery year.

15:30:56 Slides 38 and 39, we'll go over the key payment. So, slide 38 we'll go over the key payment elements for dg structure systems under contract to the first item is the same that Sandy order will be established for 100% of wrecks generated by the dg system.

15:31:14 And to be clear, the standing order will be ratio set equal to the contract nameplate capacity divided by the actual nameplate capacity.

15:31:24 If the contract nameplate capacity and actual nameplate capacity values are different.

15:31:31 The second item certain voices will be invoice on a fixed quarterly basis for the number of wrecks delivered in that applicable quarterly period, third item is that invoices will be capped by two values.

15:31:42 The first of which is the annual allowable payment, which is calculated and the delivery schedule. So the cumulative invoices paid for and a delivery or cannot exceed this number.

15:31:53 And then the second cap is the maximum allowable payment calculated to energize ation.

15:31:59 So the cumulative invoices paid under the entire delivery term cannot exceed this cap.

15:32:06 The fourth and final item for dg systems, under contract two is the wreck retirement notice. So 60 days after the end of a delivery or the IPA will issue this retirement notice to buyer and seller specifying the following with respect to each system,

15:32:24 namely the number Rex delivered to buyer, the number of wrecks paid for in return, and retired by the buyer.

15:32:30 And lastly, the number of surplus wrecks, that will be held by buyer and prioritize repayment in the next delivery year.

15:32:39 Slide 39 introduces the concept of subscription levels for committee solar projects under contract to.

15:32:47 This will be mainly used for purposes of the payment and invoicing.

15:32:52 As you and as pie chart, if we take an example and look at a snapshot of the subscription levels for a community solar project, we can assume, for instance that, in this case, 80% of it is subscribed.

15:33:06 What this means is that only 80% of all wrecks delivered by the community solar Sandy older will be eligible for payment.

15:33:15 Please note the following items that are unique to be solar project under contract to.

15:33:21 The first of which is that the eligible Rex will be based on the Subscribe rates on June 1, or the first Wednesday of June and the first day of December, each delivery year.

15:33:32 Second, if the percent of actual nameplate capacity subscribed is at least 90% than the project will be considered 100% subscribed.

15:33:53 Three all eligible eligible Rex which are associated with the gray portion not subscribed will be returned to sell it within 90 days after the end of the delivery year forth surplus Rex are calculated as the number of eligible Rex delivered in a delivery

15:33:57 year and access the annual level payment for that delivery year, and we'll go through some examples later on.

15:34:05 Lastly, the committee solar projects now have a new requirement that the percent of actual nameplate capacity subscribed by small subscribers must be at least 50%.

15:34:19 So inside 40, we kind of go into the key payment elements for community solar projects specifically under contract to.

15:34:26 The first of which is the standing order, which is the same as dg systems, under contract to the standard order will be set for 100% of wrecks generated by the committee solar project.

15:34:38 And if there's a difference between the contracts nameplate capacity and actual nameplate capacity, values, then the standing order will be set as a ratio between the two.

15:34:48 The second item is that sellers shall still invoice on a fixed quarterly basis however the quantities for invoices will be determined as follows quantities for invoices issued.

15:34:59 Between June through November, be based on the subscribe, rate observed on the first business day of June, and quantities for invoices and December through May, will be based on the higher subscribe, rate observed on the first business day of June and

15:35:14 the first business day of December.

15:35:18 3 is a same item as under a dozen systems, there will be two caps that will subject invoices into, into delivery or two, namely the annual payments has calculated and the delivery schedule, and the maximum allowable level payment as calculated at energy

15:35:40 ization. Fourth is a new mechanism that is being introduced, and this is a true payment amount, which will be calculated with respect to invoices.

15:35:50 In June through November if necessary.

15:35:57 So to be clear, this true payment calculation will only occur if the subscribe, rate observed on the first business day of December is higher than the subscribe, rate observed on the first business day of June.

15:36:06 Such true payment amount if it's calculated will be included in the April 10 invoice.

15:36:14 To seller.

15:36:16 Slide 41 continuing on their items, there's item number five, which is in this case where a community solar project has a subscribe, rate of at least 90%, on the first business day of June.

15:36:29 For the first business day of December in a delivery year, and the subscription makes for that project is at least 50%, but all Rex delivered in that delivery or will be eligible for payment, subject to the two previously mentioned payment caps.

15:36:45 However, if the subscription makes for the committee solar project was less than 50% on the first business days of both June and December and deliver here, and all Rex delivered by that project will be returned to seller without payment.

15:37:00 And lastly, is the same item regarding direct retirement notice so 60 days after the end of the bill every year. I pay will also issue this retirement notice

specifying the number of wrecks delivered the number of wrecks to be paid for and retire.

15:37:23 number of eligible wrecks to be returned to seller within 30 days notice. And lastly, the number of surplus wrecks to be held by Byron prioritize for payment, and the next delivery year.

15:37:33 Slide 42 explains the kind of specific dates and information for the community solar quarterly invoices, so seller will invoice submit an invoice on October 10 FedEx delivered in June through August, and another invoice.

15:37:50 By January, 10 floor Rex delivered in September through November.

15:37:55 So these two invoices, the quantities will be based on the subscriber rate observed on the first business day of June.

15:38:02 Next seller will submit an invoice by April 10th for Rex delivered and December through December through February spring.

15:38:10 And another invoice by July, 10 for Rex delivered in March through May.

15:38:14 So the invoices will be based on the higher subscribe, rate observed on the first business day of June, and the first business day of December, and with regards to the first delivery or the seller will submit an invoice based on the subscribe, rate observed

15:38:29 observed at energy ization and scheduled be until the subscribe, rate is observed on the next first business day of either June, or December.

15:38:44 Okay. So, slide 43, an example, regarding the trip payment wreck return calculation.

15:38:53 So as a quick reminder, the true payment will only occur for and be applicable for wrecked deliveries and the month of June through November, if it's applicable.

15:39:04 So after the subscribe, rate on the first business day of December has been observed. If that subscribe, rate is lower than the subscriber rate on the first business day of June that no true payment will be calculated.

15:39:16 So in this example, between take a look at the number of eligible wrecks paid for, and the period of June to November, which is at 438 racks based on the June 1 subscribe, rate of 82%.

15:39:31 Once the December 1 subscriber rate of 70% is observed, we can calculate that, the initial breaks paid for of 438 matches the actual number of eligible wrecks that should have been paid for, for which is 438.

15:39:46 So in this case, buyer will not calculate a true payment to make a seller, and instead buyer will return 99 and eligible Rex associated with this June through November direct deliveries to seller 90 days after the conclusion of the delivery year.

15:40:08 Moving on to slide 44 is an alternative example where, in this case the first business day. The subscribe, rate on the first Mr December is higher than to subscribe, rate on the first Thursday of June.

15:40:23 So, this example. Only 375 wrecks were paid for, and the period of June through November, using the engineering subscribe, rate of 70%.

15:40:34 However, given the subscriber rate for December is higher at 82%, the number of eligible wrecks that should have been actually paid for, for this period is 438.

15:40:46 So as a result buyer will calculate the positive difference between these two numbers which comes out to a total of 63 eligible tracks that should have been paid for and include a true payment of \$3,150, sorry.

15:41:03 Should be 350 so 63, so should be the true recommend of 63 T. Rex times the

example contract price of \$50.

15:41:15 In addition, the buyer will also return, 99, and eligible Rex associated with this June through November period to seller 90 days after the conclusion of the delivery year.

15:41:31 Okay, moving on to slide 45, we have an example on how to calculate the number of surplus Rex in a given build every year. So the first step will basically just be to calculate the number of eligible Rx, which is equal to the number of actual Rex delivered

15:41:48 and times the prevailing subscribe, rate.

15:41:52 So in this case, if we take items, three and two, which is multiplying 227 Rex delivered by the committee solar project by the prevailing subscribe, rate of 82% that results in a total of 186 eligible Rex, being delivered by the project and that delivery

15:42:10 year.

15:42:12 However, this number exceeds the delivery schedule amount of 179 Rex, as provided and scheduled be to the product order.

15:42:20 So what this means is that the annual allowable payment cap will apply and seven of those eligible Rex delivered will not be paid for.

15:42:30 Instead, those seven directs will remain on retired and be held by the buyer as surplus Rex, and those seven surplus Rex will be prioritized for payment and delivery or 22 to 23.

15:42:47 Moving on to slide 46 is an example of the information that the record tournament notice will have as well as the calculations.

15:42:56 Again, a reminder the IPA will issue this to buyer and seller within 60 days of the end of the delivery year, specifying the following information.

15:43:12 The wrecks were delivered in the delivery year, the RX to be retired, and the wrecks to be returned to seller and lastly the surplus Rex, to be held by buyer journey.

15:43:16 So in this example, kind of, to recap, based on the delivery year expected right quantity set at Rx, and then taking the number of wrecks actually delivered and then delivery year by the prevailing subscriber rate of 85%, this comes out to a total of

15:43:35 85 eligible Rex having been delivered by the project. And that delivery year.

15:43:41 Now since it's an excess of the delivery or expected quantity. This means that only 80 of those wrecks will be paid for and retired, and then five of those eligible Rex will be held by by our surplus to be paid for in the next delivery year.

15:43:59 And lastly, of the hundred Rex delivered. 15 will be returned to sellers since they're eligible for payment as they're not tied to the subscriber rate.

15:44:09 Lastly, so regarding timing wise buyer will retire and return the wrecks specified in this notice within 30 days of receipt of this notice.

15:44:20 Now we'll go ahead and hand it back to Ben to summarize the final changes for both draft contracts.

15:44:26 Okay, thank you. Christian for that explanation and a deep dive into contract number two. So just to wrap up the presentation portion and we'll open up the time for Q amp a just highlighting here a couple of changes between contract one and two so that

15:44:42 you can kind of fix ideas and have the path of understanding the differences. So I've highlighted in the next couple of slides may be eight key

changes or differences between one and two, they should be aware of the first and obvious one is how from payment

15:44:58 and contract one.

15:45:01 And the PS delivers structure and contract to.

15:45:19 Number two, item number two, has to do with the Quality Payment cycles.

15:45:19 Quality Payment cycles were introduced as part of the revised long term plan to help you get p earlier, instead of waiting for these four times a year, that works well.

15:45:24 If it's on a prepaid schedule upon an edge ization, you can have these payment cycles kick in. That is still true for contract one, but for contract to that features these PS deliver prod structures for the projects, as well as a two time by any will

15:45:44 back on June 1 and December for that doesn't quite work so well. So what we do is that we're going to go back to what you're currently used to in between 19 contracts featuring these fixed quantity periods for invoicing and payment purposes that align

15:46:00 with the delivery year that starts June 1, ending in May 31 of the following year. The other sort of subtle point, when a deflect for you is the payment and invoicing requirements under the contracts typically would occur in demand right off the coordinate

15:46:22 period has completed so for example if you have a quality period that starts in April, over the march and ends in me, usually by the 10th of the month following the conclusion of the coordinate period, you will provide your invoice to be paid by the utility

15:46:43 by the end of the month for contract to. We do ask for one additional month so that we can account for all the wrecks, and to confirm whether the racks are eligible whether the surplus racks, whether you have hit the cap, one of the two camps or not.

15:47:03 And that's why we are looking for the 10th of the second month succeeding. The quality period in question. So that's the Primetime number two the second item that we have here.

15:47:20 Items three and four deals with a standing order we have a standing order for distributed generation projects and ascending order for community solar projects so we'll cover number three first for distributed generation again for contract one, we have

15:47:35 the small dg the large eg on waitlist, not on witness, those are what you are familiar with, and then contract to we have the dg that are permanently installed at public schools.

15:47:48 So, I'm the contract one.

15:47:51 It will feature 100% of the project wrecks that are generated by the project, we will have all of them delivered to the utility, because it features pre payments and primarily the design features in draw down payments if you don't hit those targets.

15:48:14 Each year, you are going to incur a drawdown. We have allowed for all Rex from big projects to be delivered to be received by the utility to be retired by the utility and for you to allow the additional flexibility to cover any shortfalls.

15:48:31 So that's a design for contract one for contract to because we can only pay you, based on what is in the contract nameplate capacity that sets a cap. There is no surplus that can be applied for any underperformance.

15:48:47 That's why we are basing the standing order for the projects to be 100% of

the contracting the capacity, instead of the actual nameplate capacity, if there is a difference between the proposed and the actual employee capacity, such that the contract limited

15:49:04 capacity is have a smaller size and the actual, we will calibrate that standing order for the projects to take that into account for community solar projects.

15:49:20 It works the same way.

15:49:23 Almost but kind of diversify explain company solar real quick here for item number four, contract number one dealing with the community driven community solar projects.

15:49:36 It will feature the percent of actual nameplate capacity that is being subscribed, this is what you're used to currently under the 2019 contracts, which would set the initial standing order at what is currently being subscribed.

15:49:59 At energy ization. And then, with four adjustments to the standing order with each of the first four quality periods in the first year of operations. So, no change to that is not going to be 100%, but it is going to be based on collecting what is based

15:50:18 on your subscription. In the first four quarterly periods. The last quarterly period will set the subscription, or the standing order for the remainder of the 15 year term, or the remainder four year 14 years of the 15 year term for contract to, because

15:50:37 it's featuring paid as delivered and we're having a look back to see how high your subscription is able to cover at two points in a year, we have to receive all of your contracts based on your contract limited capacity first, and then out from there,

15:50:55 we will return you directly and we cannot pay for.

15:51:00 And then to consider what could be surplus Rex that could be prioritized for payment in the subsequent delivery year, but in terms of the Standing Order contract to, you will have to take hundred percent of the contract limited capacity, adjust that for

15:51:17 any difference in the contract versus the actually the capacity for the annual review process, five and six kind of a paper pen in hand.

15:51:29 The annual review process for contract one is no change from what you're used to. We're going to look at what each system, what the expected rep quantities will be based on the delivery schedule.

15:51:52 And then we're going to look at a two year rolling average to see whether you hit that a lot for a particular system. And if you're having a shortfall, they'll drop down so the simplest max we can cover for that, but that's contract one basic story there

15:51:58 there is there's not going to be a difference in how you view the annual review process for whether the project is over performing underperforming relative to its delivery schedule, the same process.

15:52:14 And there'll be drawdowns as item six for contract one for any underperformance for contract to the annual review process will take a look at and assess whether you hit the subscriptions are not for the community solar projects, and whether you are over

15:52:36 the delivery schedule or not for both on the solar Solar System regeneration projects.

15:52:42 So, based on that review process, item find items six basically confirmed of firms the fact that they will not be any drawdown payments. I live we can p you

are we cannot pay you, based on whether you're eligible or not.

15:52:57 And whether you hit those payment caps lock in the year, but there will not be a drop down payment is key. As you deliver them.

15:53:06 So in terms of the item number seven and eight. Our cover seven first which is the surplus Rex.

15:53:25 This is distinguished from the concept of ineligible Rex.

15:53:21 So surplus Rex. Rex, that are generated from a system in contract to, that is the birth the annual payment allowable payment you cannot pay you this every year because you hit above what is estimated based on the delivery schedule will pay you in the

15:53:38 upcoming year and get rid of those first for payment and definitely allowing the lead to retire those racks.

15:53:46 So when we are able to in the new year. So, for surplus flex contract one again as a reminder, no difference to how you're dealing with surplus Rex, as you currently do on the 2019 contract surplus Rex generated from one system can be used to meet the

15:54:08 the shop or another system. So we are thinking of this as a portfolio basis. And you have surplus RX to cover for shortfall year by year until you hit the end of the term of the contract of their still surplus Rex remaining.

15:54:27 And if you have incurred any drawdown payments along the way, the surplus racks could allow you to have a monetary refund for the drawdowns at the end of the term of the contract under contract to.

15:54:42 There is no such concept. In fact, the law is very clear.

15:54:46 You have surplus Rex you can carry them forward. year on year, but you required to return the surplus Rex back to the AV or the seller. At the end of the day the return of the system.

15:55:06 And the buyer the utility cannot keep them if they cannot pay for these wrecks, they will return them back to you.

15:55:13 In terms of item number, e collateral requirement contract one features the collateral requirement that starts at 5% of the contract value that the users over time.

15:55:23 It is envisage that the collateral help will be held at a portfolio basis where if there's a drawdown incurred by one system that portion of the delivery, that portion of the collateral fireman.

15:55:38 That is held across the portfolio of systems can be used to cover for that shortfall.

15:55:45 And the collateral requirement. Once you have posted down within 30 days of the ICC approval is kept with the utility not returned back to you until the systems in order.

15:56:02 And then, as a batch, they will return the collateral back at that point in time.

15:56:07 15 years out from the D.

15:56:11 The contract for those veteran systems for contract to on the other hand, because there is no such concept of having the collateral being used to for the drawdown to the cover the drawdown of other systems.

15:56:34 We just going to keep that steady at 5% of the contract value, collect that at the spot 30 days after you have entered into these product orders for batch, and we would turn the collateral for the system back.

15:56:48 Once the system has rolled off, and the delivery return has reached its 20 year, limit.

15:56:55 So that is what we have in terms of collateral requirement that is actually what we have in terms of the highlights between the differences of on prem one and contract to.

15:57:07 With that, I'd like to open up this time for any clarifying questions we've covered a lot, especially for contract to that is very heavy and in terms of the changes and very meeting in terms of the substance.

15:57:23 I'll stop here. I will will take questions if you have questions to ask that you raise your hands. Julie will announce who will be able to speak and unmute yourself.

15:57:36 And we will spend this next hour, taking your questions whether they are clarifying in the intro, where they have their comments if you making substantive comments we do ask that you provide them in writing to us as well.

15:57:50 Great, thank you badly. So I will allow Michael strong to give us comments here, he has this has raised his hand, and then after my call give Daniel Caribbean opportunity to raise a few comments that he has provided as well.

15:58:07 So Michael, you'll get a prompt to unmute yourself.

15:58:12 Great, thank you very much. I wanted to quick in Hi, Ben.

15:58:19 I wanted to just quickly run through something with community solar and contract to for the waitlist and projects. So the the statute allows for some adjustment of the, of the nameplate capacity.

15:58:35 If they are, you know, during the allocation period which I assume is going to be handled programmatically. But I noticed in the definition of actual nameplate capacity, it's still refers back to the part one application was that intentional, or is that,

15:58:53 or is that an oversight in terms of allowing projects to, to change their capacity and adjust their anticipated production.

15:59:06 Are you talking about the substitution of witness the projects I just want to be kind of.

15:59:14 Be careful on that. Yeah, sorry this is not the substitution with under 7.2 Is it the, this isn't the substitution interconnection cost.

15:59:25 This is the ability, when deciding on which to which whitelisted projects to allocate capacity, there's an ability to adjust the capacity of projects that have already applied and already have submitted a part one application or at least that's how I

15:59:42 read the statute. And I was curious if that was, if that was something that was going to be addressed at all on the rack contract or that's going to be completely programmatic, and if it's going to be, if it's programmatic, you know if the definitions

15:59:57 are going to need to change a little bit to allow it to be either the part one application or the change you make consistent with the program. Yeah, so I'll see you in two parts maybe one is that we will try to confirm this with the program administrator

16:00:13 to make sure that the process of cell line, but the way this is envisages that unless it is approved, newly approved by the ICC to be placed into a contract that's the first time in which you will enter into the contract, and the first time you will have

16:00:31 a scheduled a being produced for that system. So to me, that is going to be based on whatever they call that the part one process or a updated part one process.

16:00:45 But that is kind of how we envision this, and part two is when the project becomes energized and will have a schedule be tied to that, to that is clear.

16:00:57 I definitely understand what you're saying I think we may have a quick language cleanup comment on behalf of the joint solar parties but but that makes sense.

16:01:05 overall is the, the approach.

16:01:11 Anything else up Michael on your side I suspect you might have several questions but I think by and large, we're still reviewing under the joint solar party level, but appreciate this and appreciate a number of, I think what we're likely to see as improvements.

16:01:28 They're going to be some areas where we have comments, but I'm not sure that they need any clarification on this call. Okay, thank you.

16:01:41 Okay, so, Daniel I'll give you an opportunity to provide your comments and your end.

16:01:54 So you should be prompted to unmute yourself.

16:02:07 Thanks. This is Dana for Palmetto solar. I just want to see if the agency could provide a quick update on some of the barriers that currently sees to adopting a previously proposed provision on the second draft revised read contract that would allow small

16:02:18 systems. Instead of having to forfeit collateral for canceled projects to instead allow the utilities to hold that collateral an escrow and apply to future projects.

16:02:27 So I'm just interested in kind of the agency's perspective on what are some of the barriers to adopting and provision like that at this time.

16:02:39 I want to stay make sure we stay focused today on this specific rec contract update process where we're updating a contract based upon changes we'd already considered as part of a record contract, refresh and then changes to implement new provisions under

16:02:55 CJ and under those two categories what you what you're asking about does not fit into them. Now we are will be updating the long term plan as it previously mentioned, and I know that this is a decision some parties have taken and that's certainly some

16:03:09 needed to make comment on. And in that process so I think at this point in time we don't see that as a change that fits in to what we're doing here today but certainly something we could take that into consideration the future.

16:03:23 Excellent. Thanks.

16:03:30 Okay and then there are a couple of questions in the chat again so I'll go over the game that you have sent them with via the chat but if you have any follow up questions, or additional clarity to your questions then just go ahead and raise your hand

16:03:46 and I'll give you the opportunity to talk around. So a question from an accepted at this is what does it mean for ineligible Rex, to be returned.

16:03:58 Can the host owner sell them to the non utility entity who may not have the CF requirement for the wreck.

16:04:07 So, yeah, that's the question.

16:04:13 In general, ineligible Rex, let me just make the distinction between ineligible Rex versus surplus Rex first and then I'll try to address what what the implications are for in Andrew Rex.

16:04:26 So, in a community solar project for example, anything that is not tied to a subscription that portion of the project not type of subscription we consider that as ineligible.

16:04:39 In order for payment because a company solar projects require subscribers.

16:04:43 We will not know what your subscriptions are but the seizure is clear you look at in contract to for example at two points in time, it will set the subscription rate or the entire delivery.

16:05:00 Look at the higher of June 1 or December 1. You take the higher of that you assume, or you deem the entire year to be delivered at the higher of those weeds. Anything that is in excess of that, that is not paid subscription at those two points in time,

16:05:13 we consider them not eligible for payment.

16:05:16 And then at the end of the delivery year we collected, we have collected all your wrecks.

16:05:22 The utility will return all those Rex back to you within a 90 day period. So that's first be ineligible Rex, these sub plus Rex has to do with Rex, that are eligible, meaning tied to subscription but in excess of the allowable annual allowable payment

16:05:47 cap.

16:05:48 So, annual allowable pin cap is going to be calculated.

16:05:56 The way the same way that you calculate your delivery schedule today.

16:06:01 It has screen. It's going to be a delivery schedule based on a contract memory capacity and a capacity factor that will feature of point 5% degradation over a 20 year term.

16:06:17 And then we'll give you a delivery schedule, and quantity for each delivery year, going forward, multiply that by the

16:06:28 contract price, that will be the annual cap that you're under.

16:06:35 So anything that is eligible for payment type to subscription but in excess of those cats are considered surplus, Rex.

16:06:45 To us surplus Rex, we cannot pay for them. In this particular year, but we will try to prioritize them for payment. Once the next year rolls around, and you're no longer subject to the annual cap in the new year, so you will pay for them there so that

16:07:02 can sort of clear those surplus racks on a faithful basis or first in first out basis and you're not keeping those surplus Rex until the end of the 20th tongue.

16:07:13 But at the end of the 20th time you still could have some surplus Rex remaining, probably from the recent delivery year that has concluded will return them back to you and to your specific question implications of the ineligible Rex, if they're not paid

16:07:29 to subscription be yours. you can deal with them however you want.

16:07:35 The property of the seller.

16:07:44 Oh, another question from Greg White is our abs required to sign both contracts. So as an example, does the tg installer also have to sign a contract to if they don't do the community solar or school projects.

16:08:02 The answer is no, it is not expected that you'd be signing to contracts, you'd be signing, definitely.

16:08:10 The contract applicable to the category that has been approved by the ICC for inclusion into the MVP.

16:08:20 And another question via the chart from, you know, Lumpkin is.

16:08:28 So she's just wondering whether we have additional information about the wreck prices that will be used.

16:08:37 And then, given that the delivery year starts June 1, whether there are available funds, I guess, between December of this year on May, 2022

16:08:52 direct prices on program reopening were discussed at this morning's

16:08:59 workshops so that I would point you to it the slides and presentation for that. In terms of the budget I'm not completely sure I follow the question, other than being able to get the high level, that there are changes in game contained in CJ that increase

16:09:14 the funding for the renewable portfolio standard, generally, as well as how money is accounted for that will provide a substantial budget available for the foreseeable future.

16:09:31 Thank you, Anthony, and then another chrome question from are actually Yoda have

16:09:40 raised her hands will actually allow her to talk. Maybe she has any questions.

16:09:46 So you should get a prompt to unmute yourself.

16:09:50 So first of all, I'm a male. That's okay. Sorry about that. No worries, Denson na, I get that confusion all the time. My question about the about the amount of funds available was.

16:10:04 I know they're talking about somewhere in the order of \$500 million a year. But since the time schedule is different is it just based on what amount of money will come in between.

16:10:18 When the bill was signed, and may 2022 or is are they committed to 500 million, or is that something that we really don't know at this point.

16:10:30 Thank you.

16:10:32 So this is Brian and actually the day is in this scenario but one of the changes to Section 16 would away k was to allow for prior platforms to be rolled back over and the feature delivery years we don't we don't foresee a budget constraint.

16:10:46 And when budget constraints were previously implicated how to do with one payment obligations really felt.

16:10:52 So we're talking about the execution of contracts in many cases payment obligations in the future years.

16:10:58 This this to us is not a constraint on block reopening the ability to make payments on contracts with this and do every year is not constraining the size of block reopening.

16:11:08 Those are set forth and statute along with a number of changes section 1600 k public utilities act section one there 7170 of the ITA at that provides more than enough funding to handle the block reopening process of the just the block program,

16:11:28 Are you know do you have any follow up questions or your son.

16:11:33 I'm good, thanks so much, appreciate you guys doing this very helpful.

16:11:40 Okay and then another question via the chat is, I noticed that the contract to is about 13 pages shorter than the earlier read contract, which is over 100 pages, including exhibits, so greatly appreciated but a little bit more information as to how that

16:12:01 was achieved.

16:12:04 Yeah, yeah.

16:12:16 And, and we thanks to do so you have participated in the refresh rate contract process to streamline direct contract.

16:12:32 At this time, I'm not seeing any additional questions so again if you have outstanding questions go ahead and raise your hand or send them via the chat and we can address them.

16:12:43 During this presentation.

16:12:51 Yeah, well, we just one more minute to see if others have any clarifying

questions will have Commons this session is really for you to stakeholders to voice your comments and ask clarifying edits, or questions on the edits, so that you have a common understanding

16:13:11 as you approach the contract review process. So we'll be here. I mean, I'll just spend one minute here just to make sure that if you have any questions, there are no silly questions here.

16:13:22 Please ask them, you can send them to the chat or you can raise your hand we will address them before. I have a couple of reminders but before I do that, want to use, make sure that all questions have been answered.

16:13:54 Are there any dreamy.

16:14:07 No questions fan. Okay.

16:14:07 Actually we just received one route from Ross Hamilton so can you clarify the collateral return process is the payments and after five or six years will be returned that newly.

16:14:15 Yeah, so the contract.

16:14:17 Under the contract the collateral requirement for contract one, for example is no different from what you've seen so far in the 1919 contract, which is, once you post your collateral, you're expected to post your collateral for a batch of systems.

16:14:37 Once the batches approved by the ICC so you put them within 30 days of the ICC approval of the batch.

16:14:46 That collateral is held by the utilities you don't see that going back to you

16:14:54 throughout that 15 year term, you only get the money back the collateral back when the systems in that product or has rolled off. So if you have five systems in a product order.

16:15:20 collateral and the contract one is help on a portfolio basis. It's just us once it is connected to cover for any short files for any systems within the agreement.

16:15:25 And that's what the portfolio basis.

16:15:29 And so, if there's a drawdown and you will find to replenish your replenishing base on the new requirement calculated point in time that's what you have seen so far and 19 through now, nothing has changed or has changed in the process.

16:15:49 In terms of contract number two, collateral is now fixed at 5% of contract value also collected for the batch of systems.

16:15:59 When your batch is approved by the ICC within 30 days of that, and it is held throughout the delivery term of each system. But the key difference there is, there is no such concept of collateral help that is being used to cover for a shortfall.

16:16:21 And then draw down. So, what we have improved or proposed for contract to is for the collateral to be held. But once the system, individual system has walled off its delivery term.

16:16:37 By the end of that delivery year, once we have to look back at twice a year, and return you your access, also the same time you're going to return you back the collateral for that system you no longer need to wait for all the systems within the product

16:16:50 order to law.

16:16:55 So hopefully that clarifies what we're doing with collateral.

16:17:01 Any other questions.

16:17:04 No questions, I think.

16:17:19 So another question a follow up question from Ralph, who just asked a collateral question so in six years, all the collateral will be returned. I'm not sure where six years came from the delivery term for the contract one is 15 years that gluten for contract

16:17:28 to is 20 years.

16:17:31 I think what it means intuitively is that once you force your collateral.

16:17:36 You are not going to see them until the end of the delivery term.

16:17:46 Does that answer your question wrong.

16:17:48 But feel free to unmute if if there are four questions.

16:17:57 Oh yes, or office confirm that that does answer your question. Okay, thank you for his question. Excuse me.

16:18:05 Any other questions, no questions. No. Okay. So with that, I just a couple of reminders if you can hang on for just a minute or two.

16:18:12 So, the stakeholder comments on the draft first draft contracts again they are due by 5pm. On November, 4, we do want to see them because this is the primary way we can get your concerns and you to communicate to us your pain points and for improvements

16:18:31 we will consider the merits of these. And in the next draft.