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November 4, 2021

SENT VIA ELECTRONIC SUBMISSION

RE: Comments on the IPA's Proposal for the ABP Reopening

Dear Program Administrator,

SRECTrade appreciates the opportunity to comment on various changes introduced to the Adjustable Block Program as a result of the recent passing of the Climate and Equitable Jobs Act. SRECTrade offers comments in relation to the Illinois Power Agency's proposals on the following matters:

- Residential and Houses of Worship Classifications
- Equity Eligible Contractor Requirements
- Prevailing Wage Requirement
- Public School Projects and Capacity Allocation
- Collection of Demographic and Geographic Data
- Proposed REC Prices for Non-Waitlisted Large DG Projects

Residential Classification

The IPA's proposal seeks to classify residential projects based on actual electrical usage at the residence. Further, when mixed use buildings or sites are involved, the electric consumption threshold proposed is 75% or greater of the site's electric consumption must be for residential purposes. SRECTrade supports the use of average seasonal consumption at the residence as a benchmark for residential projects at locations where only residential activity is conducted thereby fostering alignment between the electric utility's integrated planning process and the project planning process for solar projects.

In contrast, mixed use buildings that have residential activity should not have a threshold that relies exclusively on the apportionment of the building's total electric consumption since such an approach opens the possibility for creative electrical wiring designs which should not be accommodated. Instead, if the 75% threshold is maintained then it should be reinforced with a target average seasonal megawatt-hour consumption maximum for the retail business to avoid any implicit compromise of the residential rate classes that the electric utility enforces for ratemaking purposes in its service territory.

Generally, locations that receive residential service have similar meters installed as small commercial enterprises while multifamily buildings may have individual service meters installed for the individual dwelling units or the entire building may be master metered. Where master metering exists, the residential portion of the building is usually metered separately from the commercial spaces though a similar arrangement may not exist for all farms. Therefore, the maximum seasonal average electricity consumption threshold for the retail space combined with the suitably determined percentage threshold will provide an adequate deterrent for abuse of the residential category. In addition, the seasonal average consumption can be limited to the maximum among the seasonal averages if simplicity is desirable and preferred.



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SRECTrade supports use of an electric bill combined with a property tax bill as acceptable documentation for initial acceptance into the residential classification.

House of Worship Classification

SRECTrade supports dedicated spaces that are used exclusively for religious services as the eligibility requirement for the house of worship classification. The classification cannot include “houses of worship” that combine communal religious events such as weddings, conventions and creative arts events within the space combined with religious services that use the building(s). SRECTrade supports the requirement for an attestation from the responsible officer of the house of worship as an acceptable approach to the documentation of the entity’s eligibility for the house of worship classification.

Equity Eligible Contractor

A. Registration Process

SRECTrade prefers that all provisions for Equity Eligible Contractors (EEC) be implemented at the Approved Vendor Designee (AVD) level thereby retaining flexibility for Approved Vendors to have EEC and non-EEC projects within their portfolios. The approach holds the AVD as the responsible party for ensuring compliance with the equity and prevailing wage requirements directly rather than imposing compliance on the AV who may not have direct involvement with personnel hiring and equity ownership subscription.

The treatment of the eligible equity contractor certification process as supplemental to the AVD application process is preferred by SRECTrade and while the requirements for the application process as outlined is supported by SRECTrade, the information on each individual listed within the ownership structure should remain available only to IPA, the ICC and any other parties reviewing the supplemental application. Information on the ownership distribution among R3 locations can be made public though the names of the equity ownership individuals should remain confidential for privacy reasons. Reliance on an affidavit from the applicant certifying the information submitted should be avoided though information garnered from state income tax records that verify the individual’s or entity’s address (when non-exempt from taxation) and the electoral register may suffice for verification purposes of the address of individuals.

In the case of eligible individuals who originate inside or outside the state of Illinois, you should be able to request proof of federal and/or state benefits that were or are being received within the foster care system. For individuals who were incarcerated, the individual should be able to provide a copy of the release document which can be verified with the Department of Corrections in the issuing state.

B. Duration of Certification

In relation to the duration of EEC certification, it should last until either the AVD renewal requires reverification and allow annual reporting on departures of eligible individuals as a requirement particularly when 5 or more eligible individuals have ended their employment relationship with the hiring entity or the ownership composition has changed.

Eligibility for the certification should be maintained for the duration of the project or until energization in relation to eligible individuals.



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Every effort should be made to avoid reassignment of a project from an EEC AVD to a non-EEC AVD unless a process already exists for compliance with the equity requirements when the project is assigned to a non-EEC AVD.

EEC Marketing

EECs can be badged similarly as when contractors are LEED certified for smart energy designs and installations. Also, delegation of the EEC certification to a designee of the AV is preferred by SRECTrade.

Brand differentiation for EECs should neither be encouraged nor discouraged by the IPA since the introduction of such differentiation can potentially result in cost increases for beneficiaries of the solar projects. R3 communities need not be saddled with additional costs that diminish the net benefits to be derived from the projects.

Block Sizes and Group Allocation

SRECTrade is supportive of the proposed 70-30 split for the capacity block sizes between the Group A and Group B electric utilities, respectively. Further disaggregation of the capacity allocation between Group A and Group B across small DG, large DG and community solar should be avoided. Minute disaggregation of the capacity can result in reduced participation if the capacity block sizes become so small that potential participants become unmotivated to submit bids.

Prevailing Wage Requirement

A. Documentation

SRECTrade recommends that projects completed prior to submission of Part I of the ABP project application and implementation of the prevailing wage requirement should be grandfathered and not be required to comply with the prevailing wage requirement whether the prevailing wage was paid. No retroactive implementation of the prevailing wage requirement should be imposed on parties since retroactive regulation engenders distrust and has the potential to reduce program participation.

B. Verification

Should a Certified Transcript of Payroll be used to establish payment verification of the prevailing wage, SRECTrade recommends that an attestation from the AVD that accounts for the number of construction employees and laborers should accompany the submission or any other means of payroll verification selected for compliance with the prevailing wage requirement.

Public School Projects

SRECTrade offers no comments on the capacity split among Tiers 1 and 2 versus Tiers 3 and 4 nor the project size classifications for the public schools and percentages of capacity to be solicited for each of the project size classifications that are common to the groups of tiers.



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Collection of Demographic and Geographic Data

SRECTrade supports the proposed data to be collected and seeks more information whether an AVD with more than one project in the same geographic location must supply the information for each project separately or, the AVD is allowed to supply aggregated information for the geographic location. SRECTrade reiterates that AVDs have better access to the data sought for collection and therefore, the IPA should structure the process for AVDs to supply the requested demographic and geographic data to be collected.

REC Prices for Non-Waitlisted Large DG Projects

SRECTrade notes that using the midpoint of the range for the estimated impact of the prevailing wage requirement on total compensation presumes that the range reflects a normal distribution when the distribution may be skewed or have fat tails. As a result, either under or over-estimation of REC prices may occur. Absent any knowledge of the shape of the distribution, settling for the average of the range may provide a conservative estimate of the adjustment to be applied in rolling forward REC prices by 4 % declines between blocks until Block 5 is reached.

SRECTrade appreciates the opportunity to provide any additional feedback or comments as the process evolves.

Respectfully,

Beverly Brereton

SRECTrade, Inc.