

**RESPONSE TO ILLINOIS POWER AGENCY REQUEST FOR COMMENTS ON
BEHALF OF THE SOLAR ENERGY INDUSTRIES ASSOCIATION, THE COALITION
OF COMMUNITY SOLAR ACCESS, AND THE ILLINOIS SOLAR ENERGY ASSOCIATION**

November 4, 2021

The Solar Energy Industries Association, the Coalition of Community Solar Access, and the Illinois Solar Energy Association (collectively the “Joint Solar Parties” or “JSP”) appreciate the opportunity to respond to the Illinois Power Agency’s most recent solicitation for comments for the new Public School Projects Category.

As an initial matter, the Joint Solar Parties appreciate that the IPA is soliciting comments by necessity following the passage of the omnibus energy legislation. The significant changes to the Illinois Power Agency Act includes an overhaul of certain elements of the Adjustable Block Program and requires opening of new blocks very soon after the effective date of the legislation. The Joint Solar Parties are thus providing feedback with the understanding that some of the issues in this Request for Stakeholder Feedback will be addressed in the next LTRRPP and potentially litigated before the Commission during the approval process.

In addition to the specific comment prompts below, the Joint Solar Parties noted that pricing for all systems in the Public School category for this initial pre-LTRRPP block—both behind-the-meter and community solar—is set at the prices available in last Large DG block in Group A and Group B (depending on the system location). The Joint Solar Parties respect that the statutory language is clear about price changes and explicitly sets prices “without further adjustment under any other provision of this Act or for any other reason.” (20 ILCS 3855/1-75(c)(1)(G)(iv)(4).) However, on a going forward basis, the Joint Solar Parties strongly encourage the IPA to consider a REC adder for Tier 1 and Tier 2 schools. Tier 1 and Tier 2 school buildings may have a variety of different conditions and the districts may have a range of credit, but the adder would incentivize Approved Vendors to take on the additional cost of roof replacement (which is more likely for Tier 1 and Tier 2 schools in the Joint Solar Parties’ anecdotal experience) and the additional credit risk of school districts with budget constraints when the REC Contract and revenue modeling relies on 20+ years of operation and collections.

- A. Is the proposed 70% (35 MW) for schools categorized as Tier 1, Tier 2, and school located within Environmental Justice communities and 30% (15 MW) for Tier 3 and Tier 4 Schools appropriate? If a different split is proposed, please provide the reasoning behind that split.

JSP RESPONSE: The Joint Solar Parties note that the statutory directive that systems on Tier 1 schools, Tier 2 schools, and schools in EJ communities “shall be given priority,” which suggests to the Joint Solar Parties that those systems should be given some sort of advantage. One example of such an advantage is automatically being selected ahead of systems on Tier 3 and Tier 4 schools when projects are concurrently submitted. The General Assembly was clear when it expected a carve-out by assigning certain percentages to categories or subcategories, which it declined to do in this instance.

The Joint Solar Parties raise this issue not to suggest that the IPA is barred from its approach by the statutory language (Section 1-75(c)(1)(K)(iv) explicitly allows for subcategories) but that an approach more consistent with the statutory mandate to prioritize Tier 1, Tier 2, and Environmental Justice community schools would be to consider the location as a tiebreaker for concurrently-submitted systems.¹ The Joint Solar Parties would applaud 70% (or more) of systems being placed on Tier 1, Tier 2, and EJ community schools, but the Joint Solar Parties believe that in the short term the priority should be ensuring that REC procurement targets are met by not placing unnecessary restrictions on growing the program in its first year.

The Joint Solar Parties thus recommend using status of a school as Tiers 1 or 2, or its location in an Environmental Justice community, as a tie-breaker for concurrently-submitted systems. However, in the event the IPA maintains capacity allocated for the specific subgroups, the Joint Solar Parties respectfully ask that the IPA clarify how capacity from any of the subcategories that are not fully utilized will be reallocated within the delivery year. The Joint Solar Parties urge the IPA to consider a model that allows for a maximum amount of capacity to be allocated to projects by May 31, 2022.

- B. Are the prior year results of the annual Evidence-Based Funding Distribution process conducted by the Illinois State Board of Education an adequate and timely source to determine Tier 1 and Tier 2 status? Are there other ways to verify a school qualifies for the Tiers 1 and 2 Environmental Justice Community categories?

JSP RESPONSE: The Joint Solar Parties do not object to this approach, with the understanding that funding tiers for the previous school year (i.e. the 2020-21 school year for the block opening on December 14, 2021 and for the block opening during the summer of 2022, with the 2021-22 school year for the block opening during the summer of 2023) would be known for some time before the new block opens. Based on the Joint Solar Parties' understanding of the Evidence-Based Funding model, the final determination for the prior-year funding is made in June and July at the *end* of the school year. While Evidence-Based Funding payments in June and July of 2021 would be adequate lead time for the block opening on December 14, 2021, the Joint Solar Parties note that if future blocks open in June or July in future delivery years the final Evidence-Based Funding determinations in June and July would be potentially too late for some applicants.

For future blocks a better approach would be to look at lowest Tier (with Tier 1 being the lowest) over a two-year period before the official block open. School projects can take a long time to develop, so some level of certainty for the school about their eligibility is important to help along the sales and development process.

With regard to schools in environmental justice communities, the Joint Solar Parties recommend that a PDF of the Solar for All Program Administrator's EJ community address tool should be adequate confirmation that a schools is within an Environmental Justice community.

¹ The Joint Solar Parties note that the IPA suggested a six-month window for measuring whether systems are concurrently submitted for community-based community solar.

- C. Are the proposed size categories (< 250 kW, 250 kW to 1 MW, over 1 MW) appropriate and allocations to each category appropriate? If not, please suggest alternatives and explain the rationale behind the allocations proposed.

JSP RESPONSE: The Joint Solar Parties first note that either a behind-the-meter or a community solar project may be proposed on school property under the public schools program, so it is worth distinguishing this categorization as applying to behind-the-meter. Further, the Joint Solar Parties note anecdotally that while all schools are different, many elementary and middle schools are likely to fall into one of the first two categories, while some high schools may support up to 2 MW (AC) or more.

- D. At this time, the Agency is not proposing specific allocations between projects in Group A or Group B, nor does the Agency propose a specific allocation for community solar projects located at public schools. The Agency expects that such allocations may be proposed in the next Long-Term Plan. In this interim period, should specific allocations be made to groups or to community solar projects?

JSP RESPONSE: The Joint Solar Parties agree with the IPA's proposed approach, and recommend that the IPA continue to monitor applications and collect feedback as to how the market views pricing for the different Group/Tier combinations. The Joint Solar Parties note that the IPA allocated substantial extra capacity to Group A Large DG following the lottery from the reserve ABP capacity allocation—in other words, there is precedent for short-term deviation from the typical 30-70 split between allocation between Group A vs. Group B projects.