

From: [REDACTED]
Sent on: Friday, December 30, 2022 10:06:52 PM
To: IPA.ContactUs <IPA.ContactUs@Illinois.gov>
CC: Ky Ajayi [REDACTED]
Subject: [External] RE: Central Road Energy LLC - Response to Consumer Protection Proposals
Attachments: ILSFA-DG-Contract-Requirements-7.14.2022.pdf (266.17 KB)

Follow up: Follow up
Follow up status: Completed
Completed on: Friday, December 30, 2022 10:24:00 PM

One additional comment:

You have a Forbearance for Default on Loan Payments section (shouldn't that be lease payments?) in the NP/PF lease disclosure form . According to the most recent Contract Requirements document (attached) put out by the program, the Forbearance for Default applies only to "low-income residential customers" not NP/PFs. If that is true, this section should be eliminated from the NP/PF lease disclosure.

Jay Corgiat, Ph.D.
Central Road Energy, LLC
3702 Baywood Road
Bloomington IL 61704

From: Jay Corgiat [REDACTED]
Sent on: Friday, December 30, 2022 9:49:47 PM
To: IPA.ContactUs <IPA.ContactUs@Illinois.gov>
CC: Ky Ajayi [REDACTED]
Subject: [External] Central Road Energy LLC – Response to Consumer Protection Proposals
Attachments: CRE Disclosure form comments.pdf (137.71 KB), CRE comments - Draft-ILSFA-DG-lease-DF-NPPF-FOR-PUBLIC-COMMENT.docx (120.62 KB), CRE comments Draft-ILSFA-DG-purchase-DF-DG-rebate-FOR-PUBLIC-COMMENT.docx (118.32 KB)

Follow up: Follow up
Follow up status: Completed
Completed on: Friday, December 30, 2022 10:24:00 PM

Please see attached for our comments regarding the disclosure form.

Jay Corgiat, Ph.D.
President
Environmental Information Logistics, LLC
534 Duane Street
Glen Ellyn, IL 60137

[REDACTED]
website: www.EI.L.L.C.com



MEMORANDUM

To: Illinois Power Agency & Program Administration Team

From: Central Road Energy

Date: December 30, 2022

Subject: Response to Consumer Protection Proposals

Central Road Energy appreciate the opportunity for comment prior to the release of new disclosure forms. The disclosure forms have long needed to be revisited and revised to better reflect the uncertainties and realities of the production and business models being used by the industry. For example, two or three significant figures should be adequate for disclosing the production and the resulting savings that is estimated from modeling to the customer. Using exact production and savings numbers that result from a modeling exercise, while important to REC calculations, is misleading to the customer. By using a two or three significant figure production and savings estimate in the disclosure, minor alterations to the design or specifications that may affect the production and savings numbers would not impact the disclosure form signed by the customer.

Additional changes that would better serve the program and the clients include:

- Better project role definitions. For example, what is the “Seller” of “Your Seller” in the PPA disclosure? If it is a PPA, this block should read “Your Project Owner” with the project owner being the party that holds the PPA contract.
- The “Non-Profit/Public Agency” box is not clear as to what address should be used, the address of the NP/PF or the address of the project, which may or may not be the same. We suggest that an additional box be added that specifies project location with a check box that indicates if the NP/PF address and the project location are the same.
- Why should the system size of the disclosure “exactly match” the contract for PPAs and lease agreements? Even for purchases, the final system size is allowed to vary by the larger of 5 kWac or 25% of the Part 1 Approved AC system size.
- The percent savings for the first year and the life of the system should be two significant figures and should be based on the numbers used in the disclosure so that the math is obvious to the client. The requirement for the 50% savings should not be specified in the disclosure in the event that rounding errors result in a lower savings rate. The language should specify that the Program approves the savings rate provided by the AV.
- Savings projections should be three significant figures at most.
- The project should specify if it intends to take the smart inverter rebate, which is available to NP/PF projects that are on certain rate schedules.
- The insurance specifications are confusing. The Project Owner should describe the insurance that they plan on maintaining for the term of the agreement. They should also specify the types and amounts of coverage they expect the client to have and who will be responsible for paying for that insurance. It might also be worth having a box for the AV or AVA to specify the minimum



insurance coverage that they require the project owner to maintain so that they can be confident that the RECs will be delivered. This becomes important if the project owner changes or the client will assume ownership of the project prior to the end of the REC contract.

- Both developers and project owners are often choosing the end of term disposition of their solar systems at contract signing because both parties desire certainty at contract signing. The client should be made aware that they must be given a choice, but the details should remain in the contract.
- The “if you move” section of the disclosure is confusing. Can more than one box be checked? There should be some specificity that the project must remain operational until the REC contract is fulfilled or the moving party must, at a minimum, be responsible for the value of any remaining RECs that have yet been delivered.
- The RECs generated number should be a maximum of three significant figures. For the disclosure, the numbers are estimates and are not finalized until after the Part 1 Application is accepted by the program (arguably, it is not truly finalized until the Part 2 application is approved).
- The net metering description assumes a specific rate classification, of which many larger NP/PF do not utilize, and that the project has not taken the smart inverter rebate. Furthermore, it does not reflect the fact that the client will be getting a bill from the project owner (unless it is a purchase). This section needs to be rethought and re-written or eliminated as the project savings have already been estimated and presented.
- We would like to see a standard scope of work (SOW) established for what must be included in an O&M contract. Because savings passed on to the customer are such a key component of project selection, we are concerned that less than scrupulous developers may price out nominal O&M plans, artificially inflating the savings they are passing on to the customer. The system owner should provide a contract for the O&M supporting the costs they use in their savings calculators. An added benefit to this approach is that opportunities are created for MWBEs to offer these services as a subcontractor and for Qualified Trainees to provide the required labor.
- We also feel that a disclosure should be provided by the system owner to the customer that desires to take ownership. That disclosure should include:
 - the O&M scope of work,
 - current O&M costs, and
 - a summary of system component warranties including the current costs for replacement of parts that have warranties less than 15 years

This disclosure language should make it clear to the new owner that RECs and all other environmental attributes (e.g., carbon credits) have been committed for the 15 years of the REC contract.

- Will there be a PPA disclosure and a purchase disclosure specific to NP/PF?

We have attached two examples of the forms that have additional comments. We believe many of these same issues spill over into the other disclosure forms.



Illinois Solar for All Solar Project Purchase Disclosure Form

By participating in Illinois Solar for All, an installer or other vendor is required to provide you with this disclosure form so that you have accurate information about the solar project, including its size, cost, operations, warranties, and financial benefits. The Illinois Solar for All Program Administrator may contact you to verify that you received this form. More information about Illinois Solar for All is available at www.IllinoisSFA.com.

This form is not a substitute for your contract. Carefully read your contract before signing. You may want to compare offers from multiple installers or Approved Vendors. You should take whatever time you need to shop around and to fully understand the contract before signing.

You may rescind your installation contract and receive a refund of any deposit by contacting the project seller within fourteen calendar days of signing the contract.

If you are unable to resolve a complaint with your installer or Approved Vendor, you may contact the Illinois Solar for All Program Administrator by emailing info@IllinoisSFA.com or by calling (888) 970-ISFA (4732). If you have been subject to fraudulent or deceptive sales practices, the Consumer Protection Division of the Illinois Attorney General's office may also be able to help.

Contact Information

Customer	
Name	
Address	
Phone	
Email	
Service utility	

Project Seller	
Legal Name	
Name used for Marketing	
Address	
Phone	
Email	

Approved Vendor	
Legal Name	
Name used for Marketing	
Address	
Phone	
Email	

Project Installer	
Legal Name	
Name used for Marketing	
Address	
Phone	
Email	

Project Purchase and Other Fees

Your purchase of the solar project will be financed with a -year loan. The Seller will ensure there are **no upfront costs** before the project starts generating electricity, and that **there is no lien on your property** to secure the loan.

Commented [JC1]: There will need to be a lien on the solar equipment, which is technically their property. Is there another way to word this? Maybe "No lien on your home or land" rather than property.

Payment or Fee	Amount	When Due	# of Payments	Amount
Loan payment to finance purchase	\$xx	<<monthly starting xx.xx.xx>>	XXX	\$xx.00
<<e.g., Internet non-connection fee>>	\$xx	<<fill in>>	XX	\$xx.00
Total amount paid, including purchase price and above fees, for duration of contract				\$XX,XXX.00

Other Fees that May Apply	When Applicable	Amount
<<e.g., Late payment fee>>	<<e.g., Payment more than 30 days late>>	<<e.g., Accrues at X% annually>>

Illinois Solar for All Incentive Payment

Expected value of incentive payment that will be received by the Approved Vendor for the solar project if accepted into Illinois Solar for All (<i>acceptance not guaranteed</i>)	\$XX,XXX.00
Is the installation contract contingent upon selection for the Illinois Solar for All incentive?	<<yes/no>>
Will pricing or other terms change if the project is not selected for Illinois Solar for All?	<<yes/no>>
<i>Review your contract to understand how pricing or terms will change if the project is not selected</i>	

Commented [A2]: This line only appears if the answer to the previous line is "no"

Commented [A3]: This line only appears if the answer to the previous line is "yes"

Project Installation

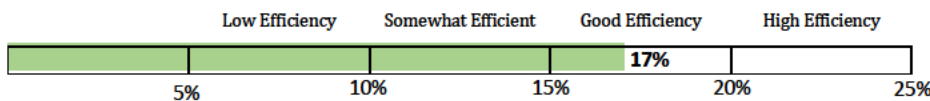
Estimated start date of project installation	<<e.g., xx days from contract signing>>
Estimated completion date of project installation	<<e.g., xx days from contract signing>>
Estimated date for seller to furnish a mechanic's lien waiver	<<e.g., xx days after project installation>>

Project Design Specifications

Project size (<i>final size may vary by 1 kW or 5%</i>)	XX kW DC	XX kW AC
Estimated total annual electricity production in first year	XX,XXX.XX kWh	
Expected life of the project	XX years	
Mounting location	<<roof or ground-mounted>>	

Project Efficiency

Solar projects may be less efficient for a variety of reasons; for example, if they face north, are at too steep of an angle, or are shaded by nearby trees or buildings. A project's efficiency will also decrease over time. *Your project's estimated starting efficiency is:*



Explanation: <<e.g., shading from neighboring building>>

Commented [A4]: Optional field if the AV/Designee wants to provide an explanation regarding the efficiency level

Net Metering and Smart Inverter Rebate

You may be eligible for net metering, which credits your electric bill for excess generation from your solar project.

To participate in net metering, you must submit an application to your electric supplier.

The seller or Approved Vendor will submit a net metering application to your electric supplier

If you switch electric suppliers, you will need to re-apply for net metering and may lose accumulated net metering credits.

An application will be submitted for your project to receive the Smart Inverter Rebate, also known as the "DG Rebate." Your project will receive a rebate payment **in exchange for a lower net metering rate**. Excess electricity from your project will be credited based on the cost of energy supply, rather than the full retail rate (which includes delivery charges).

Rebate amount	\$xxxxx.00
Who keeps the rebate payment	<<customer / seller / etc.>>
Your initial net metering rate	x.x cents/kWh
Initial net metering rate if you did NOT take the Rebate	x.x cents/kWh

Commented [A5]: One of these two boxes will appear, based on information input by the Approved Vendor / Designee

Commented [A6]: This paragraph and following chart only appears if AV/Designee indicates that the project is taking the DG rebate

Commented [JC7]: Replace this with an explanation of how the SIR works. Otherwise the intended audience will be confused!

Project Operations, Maintenance, Warranties, and Guarantees

Project maintenance (operation upkeep)	INCLUDED – provided by Seller for 25 years
Project repairs (fixing malfunctioning project)	INCLUDED – provided by Seller for 15 years
Warranties related to improper installation	INCLUDED – provided by Seller for 25 years
Manufacturer’s warranty for solar panels	<<yes/no>>
Manufacturer’s warranty for project inverter	<<yes/no>>
Warranty against roof leaks from installation	INCLUDED – provided by Seller for 15 years
Details of system performance warranty	<<fill in details >>
Insurance for loss or damage to the project	<<fill in details>>

Commented [A8]: This table is completed with hypothetical answers – all answers will be required to meet applicable program requirements

Commented [A9]: This line only appears if the project is roof-mounted

You may be responsible for obtaining insurance coverage for any loss or damage to the project that is not covered by the warranties listed above during the term of your loan – consult your contract for information on insurance requirements. You will be responsible for removal of the project after the end of project life (typically 25 years). Unforeseen roof repairs may require that the project be partially or fully removed and reinstalled at your expense.

Property Transfers

If you move, the Seller/Lender must allow you the option to re-assign the loan or to pay off the loan early with no pre-payment penalties.

Conditions for loan re-assignment	<<fill in, e.g. "new contract with new homeowner">>
Conditions for early pay-off	<<fill in>>

Forbearance for Default on Loan Payments

If you have defaulted on your payments and can show good cause in a request for forbearance, financiers must offer a) suspension of total payments for up to three months, b) a suspension of interest payments for up to six months, or c) a reduction in interest rates for up to twelve months. Missed revenues may be recovered later, but no interest may be applied. The following terms apply:

Value of Electricity and Savings Estimates

Below are estimates of the economic value of the electricity your solar project will generate in the first year and over the 25-year anticipated life of the project (how much less you will pay in electric bills). The form also provides estimated savings in year one and over the life of the project. **These estimates are NOT a guarantee. In addition, with the Smart Inverter Rebate, you may be credited for electricity that you send back to the grid at a lower rate than assumed in calculating these estimates.**

Year 1

Smart Inverter Rebate	+	Value of Electricity in Year 1	-	Total Costs in Year 1	=	Total Savings in Year 1	Savings as a Percentage of the Value of Energy Generated by your Solar Project
\$xxx.00	+	\$xxx.00	-	\$xxx.00	=	\$xxx.00	

Assuming starting electricity price of x.xx cents/kWh

Commented [A10]: This language only appears if the customer is taking the DG Rebate

Commented [A11]: Only appears if customer is retaining the DG rebate

Over 25 Years

Estimated Value of Electricity					
Low estimate:	\$XX,XXX.00	Medium estimate:	\$XX,XXX.00	High estimate:	\$XX,XXX.00

Assuming starting electricity price of x.xx cents/kWh; electricity price escalation rates of .5%, 1.7%, and 2.5%; production decrease of .5% per year

Smart Inverter Rebate	+	Value of Electricity over 25 Years (Medium estimate)	-	Total Costs over 25 Years	=	Total Savings over 25 Years	Savings as a Percentage of the Value of Energy Generated by your Solar Project
\$xxx.00	+	\$xxx.00	-	\$xxx.00	=	\$xxx.00	

Commented [A12]: Only appears if customer is retaining the DG rebate

Additional Information from the Seller / Vendor

<<additional info here>>

Signature

By signing this form, you certify that you received and read this form and had the opportunity to ask questions about it.

Printed name: _____

Signature and date: _____



**Illinois Solar for All
Solar Project Lease Disclosure Form
(Non-Profit / Public Facility)**

Commented [A1]: Only appears for NP/PF projects

By participating in Illinois Solar for All, an installer or other vendor is required to provide you with this disclosure form so that you have accurate information about the solar project, including its size, cost, operations, warranties, and financial benefits. The Illinois Solar for All Program Administrator may contact you to verify that you received this form. More information about Illinois Solar for All is available at www.IllinoisSFA.com.

This form is not a substitute for your contract. Carefully read your contract before signing. You may want to compare offers from multiple installers or Approved Vendors. You should take whatever time you need to shop around and to fully understand the contract before signing.

If you are unable to resolve a complaint with your installer or Approved Vendor, you may contact the Illinois Solar for All Program Administrator by emailing info@IllinoisSFA.com or by calling (888) 970-ISFA (4732). If you have been subject to fraudulent or deceptive sales practices, the Consumer Protection Division of the Illinois Attorney General's office may also be able to help.

Contact Information

Commented [JC2]: Need a contact name for each of the four entities not just company names. You refer to "seller" elsewhere but who is the seller of these four?

Customer	
Name	
Address	
Phone	
Email	
Service utility	

Project Lessor	
Legal Name	
Name used for Marketing	
Address	
Phone	
Email	

Approved Vendor	
Legal Name	
Name used for Marketing	
Address	
Phone	
Email	

Project Installer	
Legal Name	
Name used for Marketing	
Address	
Phone	
Email	

Project Lease Information

There are no upfront costs before the project starts generating electricity.

Length of lease	XX Years
Frequency of payments	<<e.g., Monthly>>
Annual escalation rate	xx.x%

First Payment		Final Payment		Total Lease Payments
Amount	\$xx.xx	Amount	\$xx.xx	
When payment is due	<<e.g., 1 month after interconnection>>	When payment is due	<<fill in>>	\$xxx.xx

Commented [JC3]: Can the answer be 30 days after the first invoice? Would a customer understand "interconnection"? Can you start to bill the client prior to the Part 2 Application being approved by the program? We suggest removing these "when payment due" lines as they are confusing. You've already stated the length of the lease above.

Fees and Total Cost

Fees that Will Apply	Amount	When Due	# of Payments	Total Amount
<<e.g., Internet connection fee>>	\$XX	<<fill in>>	#	\$XX.00
<<e.g., Maintenance fee>>	\$XX	<<fill in>>	###	\$XXX.00
<<fill in>>				
Total amount paid, including lease payments and above fees, for duration of lease				\$XX,XXX.00

Commented [A4]: This line only appears if the answer to the previous line is "no"

Commented [JC5]: This is confusing. If a project is not awarded an ILSfA incentive, it is rare that the project will proceed without it. We suggest that you delete this line.

Other Fees that May Apply	When Applicable	Amount
<<e.g., Late payment fee>>	<<e.g., Payment more than 30 days late>>	<<e.g., Accrues at X% annually>>

Commented [A6]: This line only appears if the answer to the previous line is "yes"

Illinois Solar for All Incentive Payment

Expected value of incentive payment that will be received by the Approved Vendor for the solar project if accepted into Illinois Solar for All (<i>acceptance not guaranteed</i>)	\$XX,XXX.00
Is the installation contract contingent upon selection for the Illinois Solar for All incentive?	<<yes/no>>
Will pricing or other terms change if the project is not selected for Illinois Solar for All?	<<yes/no>>
<i>Review your contract to understand how pricing or terms will change if the project is not selected</i>	

Commented [JC7]: It would be the installer that would provide the mechanic's lien waiver to the owner of the system (the lessor in this case). The lessor could then provide a copy of the waiver to the NP/PF. What recourse would the NP/PF have if the installer and the lessor are battling over the final price or some other issue and they don't receive the waiver per the disclosure? This may not be one size fits all and should be left to the contract. May want to have a line with a reminder to the NP/PF that liens may result from construction or non-payment for the lease and that they should have a lawyer review their contract to ensure that their interests are covered.

Project Installation

Estimated start date of project installation	<<e.g., xx days from contract signing>>
Estimated completion date of project installation	<<e.g., xx days from contract signing>>
Estimated date for lessor to furnish a mechanic's lien waiver	<<xx>> days after project installation
Does project owner intend to file a Uniform Commercial Code-1 "fixture" filing statement?	<<Yes - allows project owner to take possession of project if you breach your contract>>

Commented [JC8]: The explanation of the UCC-1 in the answer should be in the question. Again, what can they do about this anyway? May want to include in write up suggested above.

Commented [A9]: This explanatory text will autofill if the answer is "yes"

Project Design Specifications

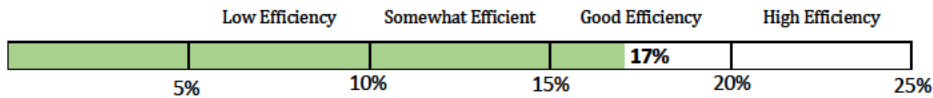
Project size (<i>final size may vary by 1 kW or 5%</i>)	XX kW DC	XX kW AC
Estimated total annual electricity production in first year	XX,XXX.XX kWh	
Expected life of the project	XX years	
Mounting location	<<roof or ground-mounted>>	

Commented [JC10]: Two significant figures to the right of the decimal for an estimate? This is so misleading. The numbers are based on a model and then, if the design changes a bit between the signing of the disclosure and the application, the disclosure has to be redone. This should specify two significant figures and one if less than 100.

Commented [JC11]: This should be standardized to 25 years. See note below in "Value...".

Project Efficiency

Solar projects may be less efficient for a variety of reasons; for example, if they face north, are at too steep of an angle, or are shaded by nearby trees or buildings. A project's efficiency will also decrease over time. **Your project's estimated starting efficiency is:**



Explanation: <<e.g., shading from neighboring building>>

Commented [JC12]: How is this calculated? The graphic looks cool but is this just an example? How will it be modified? Will the slider be movable when posted on the web? What if a hard copy needs to be printed?

Commented [A13]: Optional field if the AV/Designee wants to provide an explanation regarding the efficiency level

Net Metering

You may be eligible for net metering, which credits your electric bill for excess generation from your solar project.

To participate in net metering, you must submit an application to your electric supplier.

The seller or Approved Vendor will submit a net metering application to your electric supplier

If you switch electric suppliers, you will need to re-apply for net metering and may lose accumulated net metering credits.

Commented [A14]: One of these two boxes will appear, based on information input by the Approved Vendor / Designee

Project Operations, Maintenance, Warranties, and Guarantees

Project maintenance (operation upkeep)	INCLUDED – provided by Seller for 25 years
Project repairs (fixing malfunctioning project)	INCLUDED – provided by Seller for 15 years
Warranties related to improper installation	INCLUDED – provided by Seller for 25 years
Manufacturer’s warranty for solar panels	<<yes/no>>
Manufacturer’s warranty for project inverter	<<yes/no>>
Warranty against roof leaks from installation	INCLUDED – provided by Seller for 15 years
Details of system performance warranty	<<fill in details >>
Insurance for loss or damage to the project	<<fill in details>>

You may be responsible for obtaining insurance coverage for any loss or damage to the project that is not covered by the warranties listed above during the term of your loan – consult your contract for information on insurance requirements.

Commented [A15]: This table is completed with hypothetical answers – all answers will be required to meet applicable program requirements

Commented [JC16]: What does this include? Program needs to define a minimum O&M regime.

Commented [JC17]: Minimum of 15 years should be noted. Might want to designate what company will be providing the maintenance and who is paying that company.

Commented [JC18]: Minimum of 15 years should be noted (see comment above)

Commented [A19]: This line only appears if the project is roof-mounted

Commented [JC20]: How much detail? Eliminate and include language that says that a system performance warranty of no more than 15% degradation over the life of the project is required

Commented [JC21]: Eliminate as this is addressed in the comments.

Property Transfers

If you move, the Lessor must allow you the option to transfer the system or buy the system outright.

Conditions for transfer	<<fill in, e.g. “new contract with new homeowner”>>
Conditions for buy-out	<<fill in>>

Early Termination or Completion of Contract

Fee/penalty for early termination of lease	<<"no" or fill in amount/how calculated
--	---

At the end of the lease term, the Lessor must provide you with the following options:

Commented [JC22]: Change to "with one or more of the"

(1) Removal of the project at no cost to you.	
Will the Lessor return the site to its original condition after project removal (excepting ordinary wear and tear)?	<<yes/no>>
(2) Buy-out of the system	
Terms for buy-out:	<<fill in>>
(3) Renewal of the lease	
Terms for lease renewal:	<<fill in>>

Forbearance for Default on Loan Payments

If you have defaulted on your payments and can show good cause in a request for forbearance, financiers must offer a) suspension of total payments for up to three months, b) a suspension of interest payments for up to six months, or c) a reduction in interest rates for up to twelve months. Missed revenues may be recovered later, but no interest may be applied. The following terms apply:

Value of Electricity and Savings Estimates

Below are estimates of the economic value of the electricity your solar project will generate in the first year and over the 25-year anticipated life of the project (how much less you will pay in electric bills). The form also provides estimated savings in year one and over the life of the project. These estimates are **NOT** a guarantee.

Commented [JC23]: As referenced above

Will the project owner apply for the Federal Investment Tax Credit?	<<yes/no>>
---	------------

Commented [A24]: This line only appears for Non-Profit / Public Facilities projects

Year 1

Value of Electricity in Year 1	-	Total Costs in Year 1	=	Total Savings in Year 1	Savings as a Percentage of the Value of Energy Generated by your Solar Project
\$xxx.00	-	\$xxx.00	=	\$xxx.00	XX%

Commented [JC25]: Leave the pennies off for the remaining. Should be two significant figures for all these value estimates.

Assuming starting electricity price of x.xx cents/kWh

Over 25 Years

Estimated Value of Electricity					
Low estimate:	\$XX,XXX.00	Medium estimate:	\$XX,XXX.00	High estimate:	\$XX,XXX.00

Assuming starting electricity price of x.xx cents/kWh; electricity price escalation rates of .5%, 1.7%, and 2.5%; production decrease of .5% per year

Value of Electricity over 25 Years (Medium estimate)	-	Total Costs over 25 Years	=	Total Savings over 25 Years	Savings as a Percentage of the Value of Energy Generated by your Solar Project
\$XX,XXX.00	-	\$X,XXX.00	=	\$X,XXX.00	XX%

Additional Information from the Lessor / Vendor

<<additional info here>>

Signature

By signing this form, you certify that you received and read this form and had the opportunity to ask questions about it.

Printed name: _____

Signature and date: _____