

EXPANDED CONSUMER PROTECTION WORKING GROUP AGENDA

Friday, May 5, 2023

TOPIC 1	Current Market Models for Applying REC Values to Customer Costs
BACKGROUND	<p>In order to anticipate and address consumer protection issues relating to the solar incentive transaction between Approved Vendors, Designees and customers under the Illinois Shines Program, the Program Administrator would like to better understand market practices concerning how Approved Vendors determine whether and how they will pass through the value of Solar Renewable Energy Credits (“SREC”) payments to the customer’s project cost (<i>i.e.</i>, deducting anticipated value of SREC payments at the installation contract signing or lump sum pass-through payment of SREC value to customer after project completion).</p> <p>The Program Administrator seeks deeper understanding of why Approved Vendors chose their current models for transferring SREC value to customers and any concerns or risks that contribute to and result from this decision. The Program Administrator also seeks to learn of any feedback Approved Vendors and Designees, and consumer advocates or agencies have received from customers on their preferences regarding the model for when the customer receives the value of the incentive.</p>
ISSUES/ QUESTIONS TO DISCUSS	<p><i>Discussion questions:</i></p> <ul style="list-style-type: none">○ <i>What models are Approved Vendors/Designees using for payment/incorporation of SREC payments to customers?</i>○ <i>Do Approved Vendors/Designees provide customers with options for whether there is a pass-through of the SREC or whether the value of the incentive is used to reduce the purchase/lease/PPA price?</i><ul style="list-style-type: none">○ <i>If so, does the amount of the SREC payment or cost reduction to the customer differ based on the model chosen?</i>○ <i>What risks are Approved Vendors/Designees experiencing from their current SREC payment model?</i>○ <i>What feedback have Approved Vendors/Designees received from customers on their SREC payment model?</i><ul style="list-style-type: none">○ <i>Have Approved Vendors and Designees altered, or plan to alter, their models in response to that feedback?</i>○ <i>Do Approved Vendors/Designees have any plans to change their SREC payment model for the upcoming Program year?</i><ul style="list-style-type: none">○ <i>If so, what factors may influence the decision to change?</i>

TOPIC 2	Expanding Pool of Companies on Stranded Customer Approved Vendor/Designee List
BACKGROUND	<p>“Stranded customers” are Illinois Shines customers whose Approved Vendor and/or Designee is unable or unwilling to (a) complete the solar project installation and/or (b) submit a project application to the Illinois Shines program because their Approved Vendor and/or Designee goes out of business, is unable to meet Program requirements, or is suspended because of disciplinary action. The stranded customer may be left without an Approved Vendor and/or Designee to submit application materials, advance their application through the review process, complete system installation, and/or to pass through promised SREC payments from the contracting utility.</p> <p>Section 7.7.1 of the 2022 Long-Term Plan states that:</p> <p>“The Agency’s primary concern is a positive resolution for the customer, including a path forward for their project to be completed, approved as part of the ABP, and for the customer to receive promised REC payments, if possible... The Agency believes that the option of referring customers to a designated aggregator Approved Vendor that is willing to take on stranded customers is the best option for handling these types of situations.”</p> <p>During the January 6, 2023, Expanded Working Group Meeting, the Program Administrator, and meeting participants discussed the issue of stranded customers, focusing on the assistance required of stranded customers and any operational hurdles Approved Vendors and Designees were experiencing when assisting stranded customers.</p> <p>Since the January 6 meeting, the Program Administrator emailed all registered Approved Vendors and Designees information about the opportunity to be added to a shortlist of Approved Vendors and Designees who are available to help stranded customers. This List provides stranded customers with a source they could use to find a new Approved Vendor and/or Designee to finish remaining steps in their project. The Stranded Customer Approved Vendor/Designee List currently includes 12 Approved Vendors and Designees. Given that the Program Administrator is currently aware of 197 stranded customers, at various points in the application/installation process, the Program Administrator is seeking feedback from market participants on ways to expand the number of Approved Vendors and Designees on the Stranded Customer Approved Vendor/Designee List.</p> <p>The Program Administrator seeks input from Approved Vendors and Designees on what is – or could be – discouraging additional Approved Vendors and Designees from committing to taking on stranded customers.</p>

ISSUES/ QUESTIONS TO DISCUSS	<p><i>Discussion questions:</i></p> <ul style="list-style-type: none">○ <i>What concerns have prevented Approved Vendors and Designees from applying to join the list?</i> ○ <i>Do Approved Vendors/Designees have concerns surrounding potential disciplinary action for stranded customers if projects are not completed within Program timelines?</i> ○ <i>Are Approved Vendors/Designees experiencing supply chain issues preventing them from taking on stranded customers?</i> ○ <i>Should the definition of “stranded customers” be expanded to cover customers whose Approved Vendors, after energization, are suspended or become insolvent?</i>
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