

Process for Uncontracted Capacity Reallocation for 2023-24 Program Year

June 13, 2023

As Illinois Shines shifts to a schedule of annual blocks of capacity and away from a structure where blocks remain open until block capacity is exhausted, unused or uncontracted capacity could remain at the close of a delivery year. Changes to the IPA Act made through P.A. 102-0662 now require that uncontracted capacity be redistributed after the close of a Program year.

The Agency with the support of the Program Administrator re-allocated capacity based on guidance from both Section 7.3.5 of the 2022 Long-Term Plan and the Equity Eligible Contractor (“EEC”) block changes as outlined in the ICC’s Order on Reopening in Docket 22-0231. On May 9, 2023, the Agency made a compliance filing of a modified Long-Term Renewable Resources Procurement Plan to conform with the changes stated in the ICC’s Order on Reopening. The ICC’s Order modified the EEC category including changes to the Group A EEC block size for the 2022-23 Program year, new EEC subcategories, and a developer cap. Included in the Order was instruction to net-out or subtract the size that the Group A EEC block was expanded by from the total capacity that could be allocated after the close of the 2022-23 Program year.

This memo outlines the steps the IPA and Program Administrator (collectively referred to as “the Agency” here) took to re-allocate capacity from the 2022-2023 Program year to 2023-2024 Program year, inclusive of both the process outlined in the Long-Term Plan and the ICC’s Order. Reallocated capacity and block sizes for the 2023-2024 Program year were released on June 1, 2023. In reviewing allocations made for that release, the Agency determined that three errors were made, as described below. This memo corrects for those errors, and updated blocks size have been posted to the program website.

After Group A EEC capacity expansion is netted out (to the extent possible), the following prioritization from Section 7.3.5 of the Long-Term Plan will be followed:

1. All uncontracted EEC capacity remains in EEC category
2. Uncontracted Public Schools and CDCS capacity – 50% remains within the category, and the other 50% is reallocated
3. All uncontracted capacity is summed to a total (other than that capacity deemed in Steps 1 and 2 above to rollover within its category) and is allocated in the following order:
 - a. EEC waitlist
 - b. Small DG waitlist
 - c. CDCS waitlist
 - d. Pro rata across all remaining waitlists
 - e. Pro rata to Program categories according to the percentage allocations per category under 1-75(c)(1)(K)

Details on Reallocation Process

1. Uncontracted Capacity: The Agency first determined the amount of uncontracted capacity across all Program categories as of May 31, 2023 at 7pm CT, when the Program closed to application submissions for the 2022-23 Program year.

Program Category	Group	Remaining Capacity (2022-2023)
Small DG	A	0
Small DG	B	46.601 MW
Large DG	A	0
Large DG	B	64.098 MW
TCS	A	0
TCS	B	0
CDCS	A	0
CDCS	B	0
EEC	A	0
EEC	B	0
Public Schools	A	40.65 MW
Public Schools	B	95.64 MW
Total		246.99 MW

2. Net out Group A EEC capacity expansion: As noted above, the ICC Order on Reopening allowed for a block size adjustment for the Group A applications that were batched and submitted on November 1, 2022 with the intention of netting out this additional capacity from the total uncontracted capacity available at the end of the 2022-23 Program year for the 2023-24 Program year.

Total Amount of Available Capacity for Reallocation After Close of 22-23 Program Year	246.99 MW
Total Amount of Capacity Needed to Expand Group A EEC Category	64.4 MW
Total Amount of Available Capacity for Reallocation After Close of 22-23 Program Year Less Expand Group A EEC Amount	182.59 MW

3. Uncontracted EEC Capacity Remains in EEC Category: As there was no remaining capacity in any EEC block at the close of the Program year, this prioritization is moot.

4. Public Schools and CDCS Rollover 50%: There was uncontracted capacity in the Public Schools category, therefore only 50% of that capacity rolled over automatically into the capacity for the 2023-2024 delivery year per Section 7.3.5 of the Long-Term Plan. The remaining 50% of that capacity rolled over into the overall remaining unallocated capacity pool. If there had been uncontracted capacity in the CDCS category, 50% of that capacity would roll over into the capacity for the 2023-2024 delivery year and 50% would remain in the CDCS block. However, CDCS scoring

for the 2022-2023 delivery year has not been finalized and thus capacity allocations confirmed. Based on applications received during the 2022-23 application window, it is unlikely that there will be CDCS capacity that will rollover from the 2022-2023 cycle; therefore, it was not included in these calculations.

Program Category	Group	Remaining Capacity from 2022-2023	Rollover Allocation to 2023-2024 Program year	Amount that will not be reallocated and will remain in the Public Schools Blocks
Public Schools	A	40.65 MW	20.33 MW	20.33 MW
Public Schools	B	95.64 MW	47.82 MW	47.82 MW
TOTAL			68.15 MW	68.15 MW

As there are further divisions within the Public Schools category that prioritize Tier 1, Tier 2, EJC, and various size categories, the total 68.15 MW that **remained in the Public Schools block** must be properly allocated across the Tiers and size categorizations. That prioritization is shown in the table below.

Public Schools Kept 50% Capacity Split By Group, Project Type, Size		68.145 MW
Group A (30%)		20.44 MW
Tier 1 & 2, EJC (70% of Group A's 20.44MW)		14.31 MW
Tier 3 & 4 (30% of Group A's 20.44 MW)		6.13 MW
Group B (70%)		47.70 MW
Tier 1 & 2, EJC (70% of Group B's 47.7MW)		33.39 MW
Tier 3 & 4 (30% of Group B's 47.7MW)		14.31 MW

The 68.15 MW that **does not remain in the Public Schools block** is then added to the total reallocation amount. Thus, after this 50% rule is applied to the uncontracted Public Schools capacity, the total amount of capacity for reallocation decreases from 182.59 MW to 114.44MW.

Total Amount of Available Capacity for Reallocation After Close of 22-23 Program Year	246.99 MW
Total Amount of Capacity Needed to Expand Group A EEC Category	64.4 MW
Total Amount of Available Capacity for Reallocation After Close of 22-23 Program Year Less Expanded Group A EEC Amount	182.59 MW
Total Amount of Capacity Retained in Public Schools (Due to 50% rule)	68.15 MW
Total Amount of Available Capacity for Reallocation After Close of 22-23 Program Year Less Expanded Group A EEC Amount and Less Public School 50% Reallocation Amount	114.44 MW

5. Reallocation of uncontracted capacity after Group A EEC expansion is netted out and Public Schools (and CDCS) 50% rule is applied: Now with 114.44MW of uncontracted capacity to work with, the Agency allocated the capacity as follows, as noted in the Long-Term Plan, until the capacity was exhausted:

- a. EEC waitlist
- b. Small DG waitlist
- c. CDCS waitlist
- d. Pro rata across all remaining categories with waitlists
- e. Pro rata according to the percentage allocations per category under 1-75(c)(1)(K)

First, capacity was allocated to the Equity Eligible Contractors category to address waitlisted projects. Both Group A and Group B had formed waitlists in the EEC category.

EEC Group A	
Total Batched Capacity Received for 22-23 Program Year in EEC Group A	238.33 MW
Total Block Capacity in EEC Group A for 22-23 Program Year	108 MW
Total Waitlisted Capacity in EEC Group A for 22-23 Program Year	130.34 MW

EEC Group B	
Total Batched Capacity Received for 22-23 Program Year in EEC Group B	150.732 MW
Total Block Capacity in EEC Group B for 22-23 Program Year	101.04 MW
Total Waitlisted Capacity in EEC Group B for 22-23 Program Year	49.69 MW

After assessing the capacity of applications received for each Group in the EEC category against the block size, a waitlist of 130.34 MW remained in Group A and a waitlisted of 49.69 MW remained in Group B. Next, the Agency utilized the 114.44 MW of uncontracted capacity to address both of these waitlists.

Reallocation Calculations – Addressing the EEC Waitlists	
Remaining Capacity to Reallocate	114.44 MW
30% of reallocation capacity (114.44) applied to Group A Waitlist	34.33 MW
70% of reallocation capacity (114.44) applied to Group B Waitlist	80.11 MW

After applying the reallocation capacity to the EEC category waitlists utilizing the 30%/70% split between Group A and Group B, all of Group B’s waitlisted capacity was accommodated, but 96.01 MW of waitlisted capacity in Group A remained. Since the Plan instructs the Agency to prioritize the EEC category waitlists before moving on to Small DG waitlists, the remaining capacity after addressing Group B waitlist (30.42 MW) was then applied to the Group A waitlist. After this application, the reallocation capacity was exhausted and 65.59 MW of waitlisted Group A EEC projects remain, and this waitlist will carry over into the 2023-24 Program year.

Reallocation Calculations – Addressing the EEC Waitlists	
Capacity to Allocate to EEC Group B	80.11 MW
Group B Waitlist	49.69 MW
Remaining Capacity to Reallocate Less Group B Waitlist	30.42 MW
Remaining Group A Waitlist after 30% Reallocation	96.01 MW
Remaining Group A Waitlist after Reallocation of Leftover Group B Capacity	65.59 MW

Total 2023-2024 Block Capacity

(Amount of Remaining Capacity After Reallocation is Applied and Waitlists are Addressed)

	Category	Tier (Public Schools Only)	Size (Public Schools Only)	2023-2024 Program Year Block Size (MW)	Remaining Capacity (MW, After capacity is applied to any waitlisted projects)	
Group A	Small DG			40.00	37.66	
	Large DG			40.00	7.92	
	TCS			60.00	0.00	
	CDCS			10.00	TBD	
	EEC CS			79.75	0.00	
	EEC DG			5.00	5.00	
	Public Schools		1, 2, EJC	<250 kW	8.83	8.83
				250 - 1000	17.66	17.66
				1000-5000	8.83	8.83
			3, 4	<250 kW	3.78	3.78
250 - 1000				7.57	7.57	
1000-5000				3.78	3.78	
Group B	Small DG			94.00	94.00	
	Large DG			94.00	94.00	
	TCS			140.00	114.62	
	CDCS			23.00	TBD	
	EEC CS			84.19	34.50	
	EEC DG			11.50	11.50	
	Public Schools		1, 2, EJC	<250 kW	20.60	20.60
				250 - 1000	41.20	41.20
				1000-5000	20.60	20.60
			3, 4	<250 kW	8.83	8.83
250 - 1000				17.66	17.66	
1000-5000				8.83	8.83	

Blocks with Already Existent Waitlists at 2023-24 Program Year Opening

Capacity distribution to categories featuring waitlists will result in projects being selected off those waitlists by ordinal waitlist order. Published block capacities for the 2023-24 annual block will be updated to reflect that category's expanded capacity additions. For waitlisted capacity not met through uncontracted capacity redistribution, Section 1-75(c)(1)(K) also provides that "the waitlist of projects in a given year will carry over to apply to the subsequent year when another block is opened." Thus, those waitlisted projects will be given priority in selection within their category under that new delivery year's capacity allocation to that category. In some cases, the new capacity opening on June 1, 2023 was not enough capacity to accommodate the waitlist for a Group/category. In that case, the waitlist is accommodated using the new Program year capacity and a smaller waitlist remains. Newly submitted projects to these Groups/categories will be placed on a waitlist following the applications submitted in the 2022-23 Program year that have not yet been accommodated.

Errors in Original Reallocation Calculations Released on June 1, 2023

The Agency determined that three errors were made on May 31, 2023 during the original calculations of reallocation capacity that were released on June 1, 2023.

- First, the spreadsheet used to calculate the capacity contained an incorrect value, resulting in an incorrect total reallocation amount. Through further review the Agency and Program Administrator determined that the reallocation capacity amount utilized for the calculations released on June 1, 2023 were lower than it should have been.
- Second, the Agency originally reallocated uncontracted capacity to the EEC category following the 75%/25% split between EEC Community Solar and EEC Distributed Generation that now applies to the EEC category as of Program year 2023-24 beginning on June 1, 2023. This was incorrect. The Long-Term Plan states that the Agency should “allocate any uncontracted capacity to the Equity Eligible Contractors category to select waitlisted projects from this category” (Modified Plan at 163). The 75%/25% split of capacity between Community Solar and Distributed Generation projects for the creation of subcategories does not apply to the waitlists from the 2022-23 Program year as these subcategories were not in place at the time of waitlist formation. Thus, uncontracted capacity should have been applied to waitlists in the EEC category only within each Group, without considerations for CS and DG subcategories. Moving forward, EEC projects that are not able to be accommodated via this reallocation process will carry forward into the 2023-24 Program year where these subcategories will exist, and as such will be bifurcated into Community Solar and Distributed Generation waitlists and the capacity for each subcategory will be impacted by any projects that carry forward into this Program year.
- Third, the Agency had improperly reallocated the retained 50% capacity for the Public Schools category. The Agency had simply left 50% of the uncontracted capacity from Group A and Group B within those groups. The Long-Term Plan states, “All capacity in the new Public Schools and Community-Driven Community Solar categories that remains uncontracted from the blocks opened on December 14, 2021 will be rolled over within that same **category** to the 2022-2023 delivery year” (emphasis added, Modified Plan at 162). As such, the capacity should be retained in the *category*, but not simply rollover within the *Group, Tier, and size prioritizations*. In the original calculations, the Agency had failed to sum the 50% retained capacity and then reallocate within the Public Schools category based on prioritizations as set in the Plan between the Groups, Tiers, and size bands within this category. This reallocation that properly restores the prioritizations for this category has been corrected within this document and the block capacity dashboard.

In the drafting of this rationale document, the Agency realized these errors and has corrected both in this rationale document as well as on the block capacity dashboard. The Agency apologizes for any confusion this has caused and thanks all parties for their patience with this process.