

US Solar – Feedback on Updated REC Delivery Contracts

Dear IPA,

US Solar respectfully submits this feedback regarding the IPA's draft Illinois Shines Program REC Delivery Contracts. We appreciate the IPA providing this opportunity for stakeholder input and offer these comments to ensure the Contracts contains clarity consistent with current utility practice and consistency with the newly approved provisions of the Long-Term Plan.

First, there is a material discrepancy between the updated Long-Term Plan and the updated REC Delivery Contract that should be resolved. Specifically, the Long-Term Plan clarified that failure to submit an Annual Report can be cured during the 90 day cure period without it being considered an Event of Default. The language in the updated Long-Term Plan filed October 20, 2023 at pages 235-236 provides:

The Agency proposes that this amendment contains requirements that Approved Vendors must file their Annual Report by August 1 following each delivery year. Approved Vendors will be given 90 days to cure any deficiencies found by the Agency and/or utilities within a submitted report or submit an Annual Report if none was provided by the August 1 deadline. Failure to submit Annual Reports or cure deficiencies within the 90 day period will be considered an Event of Default and may carry consequences under REC delivery contracts and/or result in disciplinary action under the Program.

The current draft REC Contracts at section ¹ contain the following language:

Failure by Seller to submit its REC Annual Report by August 1 or respond to any request for clarifications that comply with the requirements of Exhibit C-3 by October 30 following such submission deadline is an Event of Default.

To ensure these modifications are appropriately reflected in the REC Delivery Contracts, we respectfully suggest the following redline clarification (or similar):

Failure by Seller to submit its REC Annual Report ~~by August 1~~ or respond to any request for clarifications that comply with the requirements of Exhibit C-3 by October 30 following such submission deadline is an Event of Default.

Second, under the existing REC Delivery Contracts, systems subject to interconnection upgrade estimated costs in excess of 30 cents per watt AC of the Designated System's proposed nameplate capacity are able to cancel the REC Delivery Contract and receive a 75% refund of the Collateral requirement.² While there are initial estimates calculated upon utility studies there are also instances in which contingency costs created when projects higher in the queue

¹ Clean versions of 20-Year Draft REC Delivery Contract Section 6.2 at Page 34, 15-Year REC Delivery Contract Section 6.3 at Page 43.

² 20-Year Draft REC Delivery Contract Section 7.2 at Page 37, 15-Year REC Delivery Contract at Page 46-47

drop out and can unexpectedly fall upon a Designated System. The Contracts are unclear on whether these updated estimates are considered interconnection cost estimates for purposes of receiving the 75% refund of the collateral requirement. To improve the clarity of the REC Delivery Contracts, we suggest modifying section 7.2 of the Draft REC Delivery Contracts to align with existing utility and IPA practice by specifically including updated estimates:

Upon Seller's request, 75% of the Collateral Requirement associated with a Designated System will be refundable if, prior to the Energization of that Designated System, an Interconnection Customer (as defined in Section 466.30 of Title 83 of the Illinois Administrative Code) seeking to interconnect the Designated System receives from the interconnecting utility a new or updated non-binding estimate of costs to construct the interconnection facilities and any required distribution upgrades for that Designated System in an amount exceeding 30 cents per watt AC of the Designated System's Proposed Nameplate Capacity. This includes an updated utility cost estimate occasioned by a potentially required upgrade becoming actually required of the Seller. For avoidance of doubt, in the case that Seller submits such request within thirty (30) Business Days of the Trade Date of the Product Order and has not posted Performance Assurance, Seller shall pay Buyer an amount equal to 25% of the Collateral Requirement associated with such Designated System.

Thank you for your consideration.

Sincerely,

s/ Morgan Pitz

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