ILLINOIS POWER AGENCY

Illinois Power Agency
105 W Madison Street, Suite 1401
Chicago, IL 60602

Illinois Shines & ILSFA

Stakeholder Feedback Request:
Updating DG Disclosure Forms for Supply-Only Net Metering

RESPONSES DUE: September 6, 2024

The Illinois Power Agency is proposing to update Illinois Shines and Illinois Solar for All ("ILSFA") Distributed Generation ("DG") Disclosure Forms to reflect the change for residential and small commercial customers from "full retail rate" net metering to "supply only" net metering in the ComEd, Ameren, and MidAmerican service territories. This change will be in effect for new net metering customers starting in 2025, and the Agency plans that the new Disclosure Forms will be available starting January 1, 2025.

Stakeholders are encouraged to provide feedback on the proposed changes to the Disclosure Forms and other considerations outlined below. Stakeholders may comment on as many or as few of the items outlined within this document as they would like. Stakeholders should not feel limited by the questions offered below and may provide comments on these proposals beyond the scope of these specific questions as it relates to the updates to the forms.

Please provide comments via email attachment to IPA.Solar@illinois.gov with the subject "[Responder's Name] – Stakeholder Feedback on DF Updates" by September 6, 2024.

In general, responses will be made public and published on the IPA's website. Should a commenter seek to designate any portion of its response as confidential and proprietary, that commenter should provide both public and redacted versions of its comments. Independent of that designation, if the Agency determines that a response contains confidential information that should not be disclosed, the IPA reserves the right to provide its own redactions.

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BACKGROUND:

The Illinois Shines and ILSFA Disclosure Forms provide estimates of the value of electricity generated from solar projects. For ILSFA, these estimates feed into the calculation of the customer's overall savings percentage. Under full retail rate net metering (currently available for ComEd, Ameren, and MidAmerican residential and small commercial customers), the economic value to the customer of the electricity generated by a photovoltaic project is the same if that power is consumed on site, or supplied back to the grid. Therefore, the current Disclosure Forms calculate the value of electricity by simply multiplying the expected generation from the project (in kWh) by the utility's retail rate (and including assumptions about annual increases in rates and decreases in generation due to system degradation).[1]

ComEd, Ameren, and MidAmerican will transition to "supply only" net metering for new residential and small commercial net metering projects in 2025.[2] Under "supply only" net metering, customers pay electricity supply charges based on their net usage, but pay delivery charges based on their gross usage. If a customer sends more electricity to the grid during a billing period than that customer pulls from the grid during the same billing period, they will receive supply credits calculated from their supply rate.[3]

Electricity generated from the solar project that is used *directly onsite* is valued at the full retail rate, because it displaces electricity that would otherwise be pulled from the grid and paid for at full retail rate. With supply-only net metering, electricity that is *not* used onsite and is sent back to the grid is valued at the supply rate. This is different than how electricity is valued under full retail rate net metering, where all electricity from the solar project is valued at the full retail rate. The percentage of electricity used directly onsite is a key input for determining the value of electricity from a solar project that receives supply-only net metering.

The Agency put out a survey[4] for initial input from stakeholders on July 3, 2024, with responses due July 24, 2024. The Agency has carefully reviewed the survey responses and developed the following proposals for updating the Illinois Shines and ILSFA Disclosure Forms. These proposals are intended to be detailed and nuanced enough to provide reasonable estimates of the value of electricity (and subsequent savings) to customers, while still being simple enough to be implementable on a relatively short timeframe. The Disclosure Forms necessarily must rely on simplifying assumptions in order to be administratively feasible, and are not intended as a replacement for a project-specific

[1] Note that because of complexities with utility rates, the Illinois Shines Disclosure Forms only generate estimates of the value of electricity for residential and small commercial customers. For Illinois Shines customers in municipal utilities, rural electric co-operative, and Mount Carmel, an average retail electricity rate across the State is used. For ILSFA, the Approved Vendor or Designee must enter a custom rate to calculate the value of electricity for some customers, such as those in the Non-Profit/Public Facility category or those in the service territory of a municipal utility, rural electric co-operative, or Mount Carmel.
[2] Note that large commercial and industrial customers already receive supply only net metering.
[3] For more information on the transition to supply only net metering, please see https://illinoisshines.com/frequently-asked-questions-about-changes-to-illinois-net-metering-bill-credits-approved-vendors-designees-announcement/ or https://www.illinoissfa.com/upcoming-changes-to-illinois-net-metering-bill-credits-impacting-the-ilsfa-program/.
[4] https://illinoisshines.com/surveys-for-feedback-on-rec-adder-and-disclosure-form-updates-response-deadline-july-24/ or https://www.illinoissfa.com/announcements/2024/07/surveys-for-feedback-on-rec-adder-and-disclosure-form-updates-response-deadline-7-24/.

proposal. Rather, they are intended to highlight key information and to allow for an apples-to-apples comparison of offers. The Agency also notes that additional modifications to this proposal may be necessary due to limitations in actually developing and programming these updates in the Illinois Shines and ILSFA Portals.

OVERVIEW OF PROPOSALS FOR BOTH PROGRAMS:

The Agency proposes that the updated Disclosure Forms utilize "blended rates" Ito calculate the value of electricity generated by solar projects. These rates will be blends of the applicable retail rate and the applicable supply rate, and will each be determined based on assumptions about, or estimates of, the percentage of electricity that is used directly onsite versus the electricity supplied to the grid.

The proposed blended rates are based on an assumption that average residential customers with distributed generation solar projects use about 50-60% of the electricity generated from the solar projects directly onsite. This is based on data provided by ComEd and survey responses from stakeholders. The Agency also assumes higher levels of electricity used directly onsite if the solar project is smaller (as compared to customer usage) or if the project incorporates a battery, and assumes the highest level of electricity used onsite if the project is *both* smaller *and* incorporates a battery.

The Agency believes that the transition to supply-only net metering may lead to increasing deployment of batteries, since batteries allow customers to maximize self-consumption and increase the economic benefits of going solar. Accordingly, the Agency proposes the addition of new fields in the Disclosure Form to disclose information to the customer about batteries, if applicable. These fields would provide information about battery size and the utility storage rebate (if applicable).

PROPOSAL FOR FEEDBACK: ILLINOIS SHINES

Changes to User Inputs into the Portal

The Agency proposes that for all Illinois Shines DG Disclosure Forms, there will be new fields in the Portal for the Approved Vendor or Designee to enter the following information:

- Whether the solar project will include a battery
- Size of the battery in kWh (if applicable)
- Whether the project will take a utility energy storage rebate (If applicable, and ONLY for ComEd/Ameren customers)
- Who will keep the rebate payment (If applicable, and ONLY for ComEd/Ameren customers) (note that the Portal would calculate the amount of the rebate based on the battery size)

The Agency is also proposing to *remove* the user input for entering the payment amount for the generation (known as the DG or Smart Inverter) rebate (note that the storage/battery rebate and the generation rebate are two separate rebates offered by ComEd and Ameren). Instead, as explained below, the Portal would calculate the value of the rebate. The Agency believes this will eliminate

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manual errors in entering the value of the generation rebate and provide more accurate information to customers.

The Agency proposes that for all Illinois Shines DG Disclosure Forms that include an estimated value of electricity generated by the solar project and estimated savings (all Illinois Shines DG Disclosure Forms for residential and small commercial customers), there will be new fields for the following information:

- The estimated customer annual electricity usage
- Whether the customer will take utility basic (non-hourly) electric service, utility hourly or time of use ("TOU") service, or will take supply from an ARES

FEEDBACK ITEM 1: The Agency requests feedback on the above proposed new Portal fields for Illinois Shines.

Changes to Calculations in the Portal

As explained above, the Agency proposes that the Portal will use a new methodology for calculating the estimated value of electricity generated by the solar project.

First, the Portal would take the estimated customer annual electricity usage (new input) and divide it by the estimated first year solar project generation (existing input), and determine whether the result (referred to in this document as the offset percentage) is either (1) greater than or equal to 80%, or (2) less than 80%.

FEEDBACK ITEM 2: The Agency seeks input on whether the Approved Vendor or Designee should be directed to use actual, historic data for usage, or whether they can use estimates of usage that may reflect planned future increases in usage (such as installation of a heat pump or purchase of an electric vehicle).

Second, the Portal would reference the below table. The Portal would use the offset percentage (calculated in the previous step; first column in the table below) and the entry for whether or not the project will include a battery (new input; second column), to select the correct assumption for the amount of electricity used directly onsite (third column in the below table).

Third, the Portal would use the assumption for the amount of electricity used directly onsite (selected in the previous step) in addition to whether the customer takes basic or hourly/TOU utility service, or supply from an ARES, (new input) to determine which blended rate to use to calculate the estimated value of electricity. The blended rate will equal (% used onsite x retail rate) + (% sent to grid x supply rate).

Once the Portal has selected the correct blended rate, that rate would be used in the existing formula in the Portal for calculating the estimated value of electricity over the life of the project/contract.

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Percentage of Annual Electricity Usage Offset by Solar Project	Will Project Include a Battery?	Assumed % of Electricity Used Directly Onsite	Does Customer Take Basic or Hourly/TOU or ARES service?	Rate Is Blend of…
Already calculated by the Portal	New user input	Determined based on offset % and battery (yes/no)	New user input	Program Admin will input blended rates into the Portal for 55%, 75%, and 95% for basic and hourly rates – that is, the Program Admin will calculate the cents/kWh for each of these and will enter these into the Portal for use in the calculations
>=80%	No	55%	Basic/ARES	Basic retail + supply
<80%	No	75%	Basic/ARES	Basic retail + supply
>=80%	Yes	75%	Basic/ARES	Basic retail + supply
<80%	Yes	95%	Basic/ARES	Basic retail + supply
>=80%	No	55%	Hourly	Weighted average hourly rate for hours of solar generation (retail + supply)*
<80%	No	75%	Hourly	Weighted average hourly rate for hours of solar generation (retail + supply)*
>=80%	Yes	75%	Hourly	Weighted average hourly rate for hours of solar generation (retail + supply)*
<80%	Yes	95%	Hourly	Weighted average hourly rate for hours of solar generation (retail + supply)*

*Note that these would be standardized values, not calculated for each solar project.

If the Approved Vendor/Designee indicates that the customer will take supply from an ARES, the Agency proposes that the Portal will use the same numbers/ assumptions as for a basic service (non-hourly) customer in the same service territory. The disclaimer in the "Estimated Value of Electricity" section will retain a disclaimer that estimates may not be accurate for customers who take supply from an ARES.

FEEDBACK ITEM 3: The Agency seeks feedback on this approach and whether another approach would be better, such as requiring manual entry of the ARES electricity supply rate, or toggling off the estimate of the value of savings for ARES customers.

For customers with projects in the service territory of a municipal utility, rural electric co-operative, or Mount Carmel, the Agency proposes that the Value of Electricity section toggles off and is replaced with a section in which the Approved Vendor or Designee provides a short explanation of the type of

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crediting available (if any) in the relevant jurisdiction. This could replace and eliminate the need for the separate "Unavailability of Net Metering" form that is currently required if a customer is located in a rural electric co-operative or municipal utility and will not receive net metering credits comparable to those offered in ComEd, Ameren, or MidAmerican. The Agency seeks feedback on this proposal. An alternative approach could be to use an analogous approach to that used for ComEd, Ameren, and MidAmerican, using an average state-wide retail rate and average state-wide supply rate, with blended 55%, 75%, and 95% rates.

FEEDBACK ITEM 4: The Agency seeks feedback on which approach is preferable to provide clear information to customers of a municipal utility or rural electric co-operative.

In addition, if the Approved Vendor or Designee has indicated that the project will include a battery, and that the project will take the utility storage rebate (ComEd and Ameren only), the Agency proposes that the Portal will calculate the monetary value of the storage rebate. The rebate value is equal to the size of the battery in kWh multiplied by $300 for customers in the residential/small commercial rate classes and $250 for customers whose electric service has been declared competitive. Illinois Shines Disclosure Forms already require entry of customer type as either "residential/small commercial," "large commercial and industrial," or "public school."

Relatedly, as noted above, the Agency is proposing to *remove* the user input for entering the payment amount for the generation rebate. *Instead*, the Agency is proposing that the Portal will calculate the dollar value of the generation rebate by multiplying the solar project DC size in kW by $300 for customers in the residential/small commercial rate classes and $250 for customers whose electric service has been declared competitive.

FEEDBACK ITEM 5: The Agency seeks feedback on all aspects of the above proposed calculations for Illinois Shines, including the specific values proposed in the table and any proposed assumptions. The Agency specifically seeks feedback on whether the level of granularity reflected in the table is the correct level, or whether there should be more or less granularity. For example, one approach might be to use the same "blended rate" for all basic (non-hourly) service customers in the same utility.

Changes to Disclosure Form PDF Presented to Customer

The Agency proposes the following changes to the Disclosure Form PDF that is presented to the customer. **All of the specific language proposed below is draft text, and the Agency seeks feedback on the specific wording.**

Proposed Change 1:

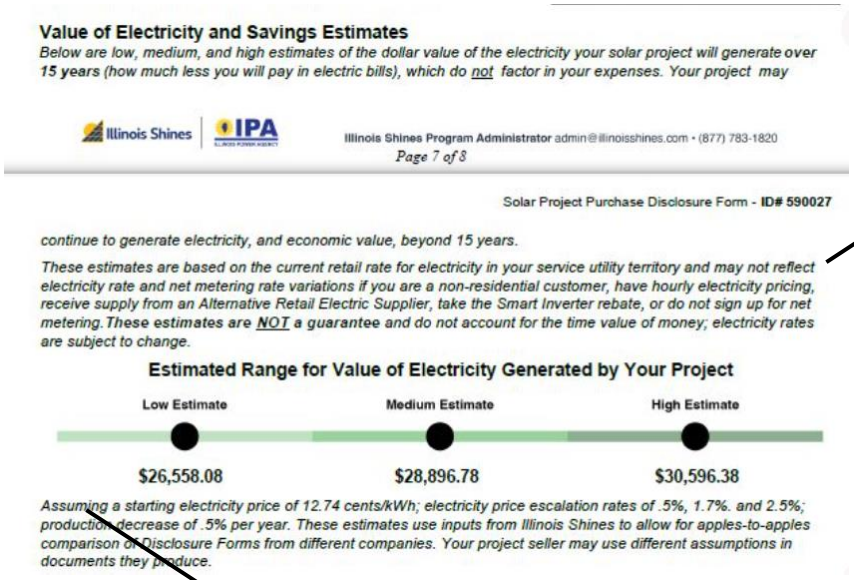
The Agency proposes that there will be a new section (or new fields in an existing section) on the Disclosure Form for batteries. The Agency seeks feedback on whether this section should appear on all Disclosure Forms, or whether it should toggle on/off depending on whether the customer's project will include a battery. Having the fields appear on all Disclosure Forms is simpler from a programming perspective, and it may be useful in making customers aware that battery storage is a possibility (even if their project does not include one). The new battery section (or additional fields in an existing section) will include the following information:

- Statement that the project will include a battery
- Battery size in kWh

- If the battery rebate will be taken, the PDF will state that the battery rebate will be taken, and also:
  - Amount of the battery rebate
  - Who will keep the rebate

Proposed Change 2:

The Agency proposes that the "fine print" disclaimer text underneath the estimated value of electricity will be updated as shown below.



Value of Electricity and Savings Estimates

Below are low, medium, and high estimates of the dollar value of the electricity your solar project will generate over 15 years (how much less you will pay in electric bills), which do not factor in your expenses. Your project may

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Solar Project Purchase Disclosure Form - **ID# 590027**

continue to generate electricity, and economic value, beyond 15 years.

These estimates are based on the current retail rate for electricity in your service utility territory and may not reflect electricity rate and net metering rate variations if you are a non-residential customer, have hourly electricity pricing, receive supply from an Alternative Retail Electric Supplier, take the Smart Inverter rebate, or do not sign up for net metering. These estimates are NOT a guarantee and do not account for the time value of money; electricity rates are subject to change.

Estimated Range for Value of Electricity Generated by Your Project

Low Estimate	Medium Estimate	High Estimate
$26,558.08	$28,896.78	$30,596.38

Assuming a starting electricity price of 12.74 cents/kWh; electricity price escalation rates of .5%, 1.7%. and 2.5%; production decrease of .5% per year. These estimates use inputs from Illinois Shines to allow for apples-to-apples comparison of Disclosure Forms from different companies. Your project seller may use different assumptions in documents they produce.

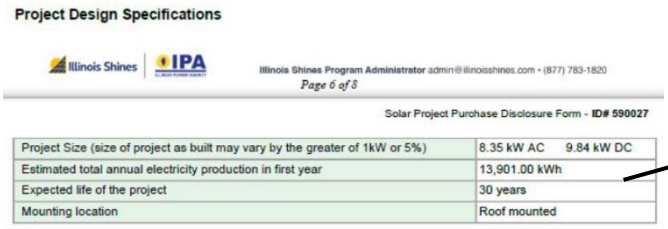
Replace sentence with:
"These estimates are based on current electricity rates and may not reflect electricity rates and net metering rates if you take supply from an Alternative Retail Electric Supplier or do not sign up for net metering."

Notes: The Agency is proposing striking the reference to non-residential customer since this section only appears for residential and small commercial customers; striking reference to hourly pricing since the new calculations will be taking that into account; striking reference to taking rebate since customers will already be receiving supply-only net metering

Replace sentence with: "Assuming that [XX]% of electricity is used directly onsite, which is valued at [retail rate] cents/kWh, with electricity sent to the grid valued at [supply rate] cents/kWh. Assuming electricity price escalation rates of .5%, 1.7%, and 2.5% and production decrease of 0.5% per year."

Proposed Change 3:

The Agency is also proposing that the Disclosure Forms include one or two new lines to disclose to the customer their assumed estimated annual electricity usage and/or offset percentage. This may be valuable information if they receive multiple quotes with different assumptions of their usage. The Agency is proposing to insert a new line in the Project Design Specifications section to disclose the customer's estimated annual electricity usage.



Project Design Specifications

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Project Size (size of project as built may vary by the greater of 1kW or 5%)	8.35 kW AC 9.84 kW DC
Estimated total annual electricity production in first year	13,901.00 kWh
Expected life of the project	30 years
Mounting location	Roof mounted

New field:
Customer's expected annual electricity usage

Note: answer would be given in kWh

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FEEDBACK ITEM 6: The Agency seeks feedback on whether the customer's offset percentage (expected usage divided by solar project generation) should also be disclosed in this section, or simply included in the "fine print" as shown above in Change 2. The Agency also seeks feedback on whether there is a better place on the Disclosure Form to include this information.

Proposed Change 4:

The Agency is also proposing that there be a new line (which may or may not be toggle on/off) in the savings section to incorporate the value of the battery rebate (if applicable, and if retained by the customer). The Agency is seeking feedback on whether there should be a new line to disclose the battery rebate, or whether there should be a single line for "utility rebates" that encompasses both the generation (DG/Smart Inverter) rebate and the battery rebate, as applicable.

To estimate overall savings over the first 15 years (if any), compare the expenses to the estimated benefits

Benefits	
Medium estimate of value of electricity generated over 15 years	$28,896.78
Smart Inverter Rebate (if retained by customer)	$1,680.00
Value of federal tax credit (if any)	Consult a tax professional
Illinois Shines incentive payment paid to customer (if any)	$12,594.00

New field:
"Battery Rebate (if retained by customer)"

Note: answer given in $

FEEDBACK ITEM 7: The Agency requests feedback on all aspects of the above proposals for changes to the Disclosure Form PDF received by the customer.

PROPOSAL FOR FEEDBACK: ILSFA

The Agency notes as a preliminary matter that ComEd and Ameren are developing low-income discounted electricity rates, which are expected to go into effect sometime in 2025. The introduction of discounted rates for income-eligible customers may require future changes to the ILSFA Disclosure Forms.

Changes to User Inputs into the Portal

The Agency proposes that for all ILSFA DG Disclosure Forms, there will be new fields in the Portal for the following information:

- Whether the solar project will include a battery
- (If applicable) Size of the battery in kWh
- (If applicable, and ONLY for ComEd/Ameren) Whether the project will take a utility energy storage rebate
- (If applicable, and ONLY for ComEd/Ameren) Who will keep the rebate payment (note that the Portal would calculate the amount of the rebate based on the battery size)

The Agency is also proposing to *remove* the user input for entering the payment amount for the generation rebate (note that the storage/battery rebate and the generation rebate are two separate

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rebates offered by ComEd and Ameren). Instead, as explained below, the Portal would calculate the value of the rebate. The Agency believes this will eliminate manual errors in entering the value of the generation rebate and provide more accurate information to customers.

For determining the value of electricity ($/kWh) rate, the Agency proposes that there will be two possible paths in the ILSFA Portal. Path 1 will be for ComEd/Ameren/MidAmerican residential customers who take supply from the local utility. The Approved Vendor or Designee will provide additional inputs and the Portal will determine the correct "blended rate" for the value of electricity (based on the retail and supply rates of the relevant utility, which will be pre-loaded into the Portal). Path 2 will be for all projects where there will be a custom rate for the value of electricity rate ($/kWh). The Agency proposes that there be an initial question(s) to determine which "Path" should be used for the project/DF. The Agency proposes that even if a project *could use* Path 1, the Approved Vendor or Designee can *choose* to use Path 2 to develop a custom rate if they believe the assumptions in Path 1 result in an underestimate of the value of electricity for the specific customer (and have the data to support the estimates).

FEEDBACK ITEM 8: The Agency seeks feedback on this approach of allowing the Approved Vendor or Designee for some projects to choose between Path 1 and Path 2.

Path 1: For DG Disclosure Forms where the Portal will use pre-loaded retail and supply utility rates that will be used in a blended $/kWh rate for the value of electricity

- Path 1 will be the "default" for ComEd, Ameren, and MidAmerican customers who take supply from the local utility (not from an ARES)
- Path 1 will *not* be accessible for projects in the Non-Profit / Public Facility ("NP/PF") category, or for residential projects where the customer is in a municipal utility, rural electric co-op, or Mt. Carmel, or for customers that take supply from an ARES

For Path 1, the Portal will have a new field for the following information:

- Whether the customer will take basic electric service or hourly/time of use ("TOU") service

Path 2: For DG Disclosure Forms that will use a <u>custom</u> value of electricity rate ($/kWh)

- Path 2 will be required for projects in the NP/PF category, and for residential projects where the customer is in a municipal utility, rural electric co-op, or Mt. Carmel, or customers who take supply from an ARES
- Path 2 will be *permissible as an alternative to Path 1* for ComEd, Ameren, and MidAmerican customers who take supply from the local utility (i.e., the Approved Vendor or Designee may choose Path 2 if they believe that the assumptions in Path 1 will underestimate the value of electricity and therefore underestimate the savings to the customer)

For Path 2, there will be additional fields for:

- Customer's average <u>retail</u> rate over the past 12 months (used to calculate blended rate)
- Customer's average <u>supply</u> rate over the past 12 months (used to calculate blended rate)
- Estimated percentage of electricity from the solar project that will be used *directly* onsite

The Portal could either use these three inputs to calculate the blended rate, or could require the AV/D to enter the blended rate. The above three inputs would also be used in the disclaimer in the Value of Electricity section (in fine print explaining the underlying assumptions – shown below).

The Agency also proposes that for all ILSFA DG Disclosure Forms, the existing question for annual "household" usage be updated to ask for annual "customer" usage. The Agency has seen situations

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where Approved Vendors/Designees have not entered information into this field for NP/PF projects because they believe it to be inapplicable. The change in terminology should clarify that this field should be completed for all customers.

FEEDBACK ITEM 9: The Agency requests feedback on the above proposed new Portal fields and the proposed two paths for determining the $/kWh rate to use for estimating the value of electricity generated by a solar project.

Changes to Calculations in the Portal

As explained above, the Agency proposes that the Portal will use a new methodology for calculating the estimated value of electricity. The Agency proposes the following approach for Path 1 (the default for residential customers who are located in ComEd, Ameren, or MidAmerican and do not take supply from an ARES).

The Agency proposes that the Portal will reference the table below. The Portal will first use the estimated project offset (first column; this is currently already calculated in the Portal by dividing estimated customer annual electricity usage by estimated first year solar project generation) and the entry for whether or not the project will include a battery (second column; new input), to select the correct assumption for the amount of electricity used directly onsite from the below table (third column).

Second, the Portal will use the assumption for the amount of electricity used directly onsite (selected in the previous step) in addition to whether the customer takes basic or hourly service (new input) to determine which blended rate to use to calculate the estimated value of electricity. The blended rate will equal (% used onsite x retail rate) + (% sent to grid x supply rate).

Once the Portal has selected the correct blended rate, that rate would be used in the existing formula for calculating the estimated value of electricity in Year 1 and over the life of the project/contract (note that the existing formula multiplies the rate by estimated generation, and applies assumptions for increases in utility rates and degradation of the project).

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Percentage of Annual Electricity Usage Offset by Solar Project	Will Project Include a Battery?	Assumed % of Electricity Used Directly Onsite	Does Customer Take Basic or Hourly/TOU or ARES service?	Rate Is Blend of…
Already calculated by the Portal	New user input	Determined based on offset % and battery (yes/no)	New user input	Program Admin will input blended rates into the Portal for 55%, 75%, and 95% for basic and hourly rates – that is, the Program Admin will calculate the cents/kWh for each of these and will enter these into the Portal for use in the calculations
>=80%	No	55%	Basic/ARES	Basic retail + supply
<80%	No	75%	Basic/ARES	Basic retail + supply
>=80%	Yes	75%	Basic/ARES	Basic retail + supply
<80%	Yes	95%	Basic/ARES	Basic retail + supply
>=80%	No	55%	Hourly	Weighted average hourly rate for hours of solar generation (retail + supply)*
<80%	No	75%	Hourly	Weighted average hourly rate for hours of solar generation (retail + supply)*
>=80%	Yes	75%	Hourly	Weighted average hourly rate for hours of solar generation (retail + supply)*
<80%	Yes	95%	Hourly	Weighted average hourly rate for hours of solar generation (retail + supply)*

*Note that these would be standardized values, not calculated for each solar project.

For Path 2, the Agency proposes an analogous approach, but with additional inputs from the Approved Vendor or Designee, since Path 2 is for projects where it is more difficult to develop generally applicable assumptions. Instead of using "standard" retail and supply rate, the Approved Vendor or Designee will input the customer's average full retail rate and also average supply rate over the past 12 months. The Approved Vendor or Designee would then also enter an estimate of the percentage of electricity that will be used directly onsite. The Agency proposes that the Agency and Program Administrator will develop detailed guidance to Approved Vendors and Designees on how to determine an appropriate estimate of the percentage of electricity used directly onsite. (**FEEDBACK ITEM 10: The Agency seeks feedback on what guidance should be given to Approved Vendors and Designees related to estimating the percentage of electricity used directly onsite.**) The Agency proposes that then either the Portal will calculate the blended rate, or the Approved Vendor or Designee will calculate the blended rate and enter it into the Portal. The blended rate will equal (% used onsite x retail rate) + (% sent to grid x supply rate). The blended rate will then be multiplied by the estimated project generation to estimate the value of electricity

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generated by the solar project (note that for the estimate of the value of electricity over the life of the project or duration of the contract, the Portal applies assumptions for increases in utility rates and degradation of the project).

In addition, for projects using either path, the Agency proposes that if the user has indicated that the project will include a battery, and that the project will take the utility storage rebate (ComEd and Ameren only), the Portal will calculate the monetary value of the storage rebate. The rebate value is equal to the size of the battery in kWh (nameplate capacity) multiplied by $300 for residential/small commercial customers. The Agency proposes that the Portal assumes that all ILSFA DG projects are for residential or small commercial facilities.

FEEDBACK ITEM 11: The Agency seeks feedback on whether this is an appropriate assumption.

Relatedly, as noted above, the Agency proposes that the user input for entering the payment amount for the ComEd or Ameren generation rebate is removed. *Instead*, the Agency proposes that the Portal will calculate the dollar value of the generation rebate by multiplying the solar project DC size in kW by $300 for residential/small commercial customers. The Agency proposes that the Portal assumes that all ILSFA DG projects are for residential or small commercial facilities. Again, the Agency seeks feedback on whether this is an appropriate assumption (FEEDBACK ITEM 11).

FEEDBACK ITEM 12: The Agency seeks feedback on all aspects of the above proposed calculations, including the specific values proposed in the table and any proposed assumptions. The Agency specifically seeks feedback on whether the level of granularity reflected in the table is the correct level, or whether there should be more or less granularity. For example, one approach might be to use the same "blended rate" for all basic (non-hourly) service customers in the same utility.

Changes to Disclosure Form PDF Presented to Customer

The Agency proposes the following changes to the Disclosure Form PDF that is presented to the customer. All of the specific language proposed below is draft text, and the Agency seeks feedback on the specific wording.

Proposed Change 1:

The Agency proposes that there will be a new section (or new fields in an existing section) on the Disclosure Form for batteries. The Agency seeks feedback on whether this section should appear on all Disclosure Forms, or whether it should toggle on/off depending on whether the customer's project will include a battery. Having the fields appear on all Disclosure Forms is simpler from a programming perspective, and it may be useful in making customers aware that battery storage is a possibility (even if their project does not include one). The new battery section (or additional fields in an existing section) will include the following information:

- Statement that the project will include a battery
- Battery size in kWh
- If the battery rebate will be taken, the PDF will state that the battery rebate will be taken, and also:
    - Amount of the battery rebate
    - Who will keep the rebate

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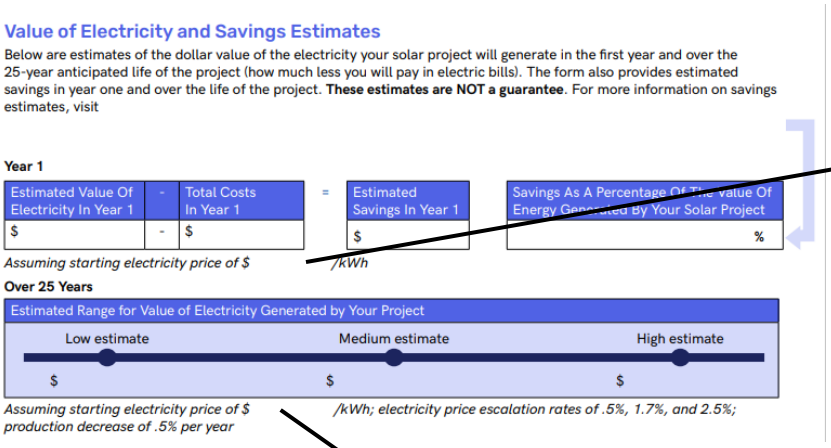
Proposed Change 2:

The Agency proposes that the "fine print" disclaimer text underneath the estimated value of electricity will be updated as shown below.

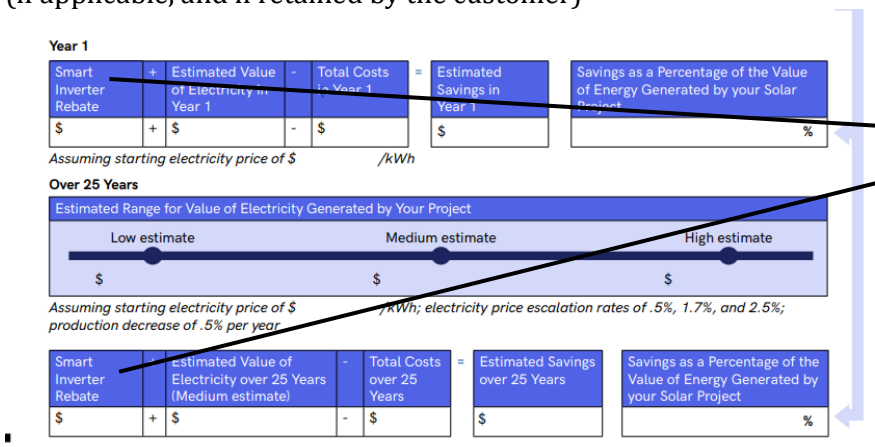


Replace sentence with:
"Assuming that [XX]% of electricity is used directly onsite, which is valued at [retail rate] cents/kWh, with electricity sent to the grid valued at [supply rate] cents/kWh."

Replace sentence with: "Assuming that [XX]% of electricity is used directly onsite, which is valued at [retail rate] cents/kWh, with electricity sent to the grid valued at [supply rate] cents/kWh. Assuming electricity price escalation rates of .5%, 1.7%, and 2.5% and production decrease of 0.5% per year."
Note: this does not disclose whether the customer is an hourly or basic service customer, but does disclose the actual rates assumed.

Proposed Change 3:

The Agency proposes an update in the savings section to incorporate the value of the battery rebate (if applicable, and if retained by the customer)



Change title of this box to "Utility Rebate(s)" and use the total of DG/Smart inverter rebate AND battery rebate (as applicable/relevant)

FEEDBACK ITEM 13: The Agency requests feedback on all aspects of the above proposals for changes to the Disclosure Form PDF received by the customer.