

October 7, 2024

VIA EMAIL

Mr. Brian Granahan
Director
Illinois Power Agency
105 West Madison Street
Suite 1401
Chicago, Illinois 60602

RE: Commonwealth Edison Company's Comments on the Illinois Power Agency's Consumer Protection Initiatives

I. Introduction

Commonwealth Edison Company ("ComEd") submits these comments on the Illinois Power Agency's ("IPA" or "Agency") three distinct consumer protection proposals that were issued for public comment on September 16, 2024.

ComEd appreciates the IPA's commitment to the success of the Illinois Shines and Illinois Solar for All programs and acknowledges that these proposals have been drafted in support of that commitment. As indicated in the posted Escrow Process for Approved Vendors That Do Not Pass Through Promised Incentive Payments, Solar Restitution Program, and Renewable Energy Certificate ("REC") Price Adder for Stranded Customer Solar Projects documents, the IPA intends to create an amendment to incorporate changes to the current and prior REC contracts. The IPA further indicates that there will be a separate stakeholder process around the creation of such an amendment. Accordingly, at this time ComEd withholds comments on the anticipated amendment process and limits these comments to the posted documents.

ComEd submits these Comments to address two over-arching concerns within each of the three proposals: (1) administrative efficiency and equity of the proposals, and (2) how the IPA

can best protect Rider REA funds collected on behalf of customers to be used in the implementation of the proposals.

II. Comments on the Escrow Process for Approved Vendors That Do Not Pass Through Promised Incentive Payments

ComEd acknowledges the IPA's concern for situations in which Approved Vendors have not passed through to their customers some or all the REC incentives promised to those customers. ComEd further acknowledges that as the Illinois Shines contracts stand today, if such an Approved Vendor is following all requirements of their contract with the respective utility, the utility does not have the means to withhold payment to the Approved Vendor. ComEd supports the implementation of an escrow process to remedy these situations and provides the following general comments for the IPA's consideration.

First, ComEd requests the IPA clarify how the costs incurred for use of an escrow agent will be invoiced to the utilities. ComEd suggests that the escrow agent costs to the utilities be invoiced on a monthly basis, preferably embedded in the Energy Solutions or IPA invoices, or at least similar to the manner in which monthly Energy Solutions costs are invoiced. Second, ComEd's preference is for the IPA to select one escrow agent to manage this program, rather than multiple escrow agents. Third, ComEd requests that the final escrow process document contain explicit language regarding the timing of when the utilities would be notified of the IPA's decision to use an escrow agent for a particular Approved Vendor, as well as notification of the requirement to make necessary changes in where payment is directed for that vendor, so as to align with the timing included in the current program guidebook for updating banking information.

With respect to specific language in the escrow process proposal, on page 7 an example is provided in the second-to-last paragraph in which a customer receives a payment from the escrow process for an amount that could be higher than that customer's Approved Vendor receives for the system. ComEd requests the IPA clarify from where that funding would come. Additionally, ComEd's understanding is that if the IPA initiated the use of the escrow process for an Approved Vendor the utility would still pay the invoice amount as calculated under the contract originally executed between the Approved Vendor and the utility but would instead pay that amount to the escrow agent rather than the Approved Vendor. ComEd requests that the IPA confirm the understanding that utility payments to an escrow agent would be the amounts supported by the contract between the Approved Vendor and the utility.

III. Comments on the Solar Restitution Program

To ensure the success of the Illinois Shines and Illinois Solar for All programs, the IPA proposes the establishment of a Solar Restitution Program to provide economic assistance to customers harmed through their participation in one of the programs. ComEd requests that the final proposal addresses the following issues.

First, ComEd requests the IPA clarify whether additional fees incurred by the utilities for the work performed by the Program Administrator would be paid from the forfeited collateral balance and whether these fees would be included on the monthly invoices that the utilities currently receive from the IPA. Second, ComEd is supportive of the IPA using a third party to pay approved claims to customers, with ComEd transferring the forfeited collateral balance at the start of the program for the third party to use to fund approved claims. Third, ComEd requests the IPA provide additional language in the process document regarding the group that will be managing the running balance of forfeited collateral available for the Solar Restitution Program.

As ComEd would not be managing the claims submitted or approved, ComEd offers the suggestion that the IPA manage the running balance of forfeited collateral available for approved claims. Fourth, ComEd requests the IPA clarify that Approved Vendors will be notified of projects for which their customers received a payment from the Solar Restitution Program. In situations where an Approved Vendor is seeking program reinstatement with the IPA, it is unclear whether the Approved Vendor should make a payment to the IPA or directly to the customer that was harmed. Additionally, it is unclear as to how the IPA to monitors whether a customer received a payment from their Approved Vendor when the customer also received a payment from the IPA through the Solar Restitution Program.

IV. Comments on the REC Price Adder for Stranded Customer Solar Projects

ComEd acknowledges customers being stranded now and possibly in the future in both the Illinois Shines and Illinois Solar for All programs. The IPA's commitment to the success of these programs includes the establishment of incentives for Approved Vendors to absorb customers that have been stranded by other Approved Vendors so those customers' projects meet the commitments contained in the contracts between the Utility and the original Approved Vendor. As stakeholders lack the IPA's knowledge and experience with the challenges customers may face being stranded by an Approved Vendor, ComEd requests that the final proposal addresses the following issues.

First, ComEd requests that the IPA provide specificity with respect to the budget necessary to fund the REC Price Adder. Second, ComEd requests that the IPA provide clarification on how it will match eligible Approved Vendors with stranded customers, and whether consideration has been given to whether the IPA should be selecting which Approved Vendor is assigned to a stranded customer to prevent potential gaming and to fairly distribute the

economic opportunity to assist stranded customers amongst all eligible Approved Vendors.

Third, that the IPA describes and assesses what, if any, difficulties the IPA anticipates in Approved Vendors agreeing to an “AV Reassignment” as noted in number of the scenarios listed in Attachment A. On this point, ComEd is concerned with situations arising with a non-responsive Approved Vendor delaying or preventing the processing of an application under this program.

In response to Question 11, ComEd requests that the REC Adder be reflected as a separate line item in all invoices and supporting documents, and whether the REC Adder will be calculated on the number of RECs not yet delivered by a project if paid to the Approved Vendor over the remainder of the delivery term of that project to ensure support from the Approved Vendor for the duration of the delivery term. Finally, in response to Question 12, ComEd requests that all instances in which a REC Adder is applied be approved by the Illinois Commerce Commission.

V. Conclusion

ComEd respectfully requests that the three consumer protection proposals listed above be revised to reflect the comments articulated herein.

Respectfully submitted,

Christopher M. Foley
Director, Energy Acquisition
Commonwealth Edison Company
1919 Swift Drive
Oak Brook, Illinois 60523

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