

From: [Josh Lutton](#)
To: [IPA.Solar](#)
Subject: [External] [SUSPECTED SPAM] Certasun LLC - Feedback on REC Price Cost Collection
Date: Tuesday, November 26, 2024 10:14:54 AM

To whom it may concern,

With respect to the Agency's request for stakeholder feedback on REC price model cost inputs, Certasun LLC (Illinois Shines Approved Vendor #1) respectfully submits the following comments:

Feedback Request #1

Certasun believes the "Phase I" approach suggested by the Agency is generally reasonable. However, the Agency should be aware that most entities will not have finalized their books for 2024 by January 6, 2025, so it should consider responses to be estimates. It is quite possible firms will not "close the books" on 2024 until February 15, when many business tax returns are due.

Certasun believes the "Phase II" approach, however, will place an unreasonable cost burden on Approved Vendors for very little additional benefit. It will also be very disruptive to implement a system possible of providing such a level of data. Most residential solar companies (including Certasun) *do not track costs at the project level*. Although we certainly have "pro-forma" estimates for typical projects, we do simply do not track the precise costs associated with individual residential solar projects. For example, we do not track how much direct labor was involved in every single project, nor do we track the amount of labor required to get permits, interconnection, or net metering for each individual project. We track these things by payroll period or monthly, in the aggregate.

Moreover, sharing cost data – including information above profit margins – contains significant risks. Although the Agency assures us it could keep this information confidential, we are concerned about the potential for leakage due to Freedom of Information Act requests, accidental disclosure, or movement of personnel.

Feedback Request #2

Certasun believes collecting data in a cost per Watt DC basis – certainly for residential projects – makes sense. This is how most parties in the industry discuss and think about costs for these types of projects.

Feedback Request #3

Prior to founding Certasun, I ran a management consulting firm that had a specialty in renewable energy – particularly solar. I lead several multi-client research projects comparing costs across companies. From this experience, I can confidently say that categorizing costs as granularly as the NREL categories is extremely difficult, as each company many have made

different decisions about how it categorizes things, or even what it keeps information on. For example:

- Does the category “Inverter” include cables between microinverters? Or should these be “Electrical Balance of System”?
- Should installation labor include the cost of warehouse/supply chain management?
- Should Sales tax be accounted for separately or is it included in the cost of each individual item?

Furthermore, any categorization is likely to have ambiguities. For example, in NREL’s categories if one category is “Permitting, Installation, and Interconnection”, what is “Installation Labor”? Wouldn’t that have been included in the first category?

Of course, with enough effort (and cost), any such differences can be worked out. I must re-emphasize, as strongly as possible, that asking residential solar companies to re-architect their financial systems to provide data in a consistent manner would be *extremely costly*. Moreover, it would appear that the approach taken in “Phase 1” would provide essentially the same information, but without anywhere near the cost or disruption.

Feedback Request #4

No comment.

Thank you for the opportunity to provide feedback. Please reach out to me if you would like further clarification.

Sincerely,

Josh Lutton

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