



November 22, 2024

Dear Illinois Power Agency,

The Joint Solar Parties (JSP) appreciate the opportunity to provide feedback on the Illinois Power Agency's (IPA) proposed approach to refining the Renewable Energy Credit (REC) pricing model. The JSP is comprised of the Solar Energy Industries Association, the Coalition for Community Solar Access and the Illinois Solar Energy and Storage Association.

Illinois' Adjustable Block Program (ABP) is unique among state-level solar programs, requiring higher costs to meet the ambitious standards the IPA has set for delivering value to customers and ensuring equitable access to renewable energy. These distinct characteristics make it essential for the REC pricing model to reflect the realities of the Illinois market for discrete sectors of the industry while maintaining transparency and accuracy and efficiency of the program. In addition, various types of project development (e.g. those sited on disturbed lands, rooftop, agrivoltaics operations or on low-income housing, etc) can have markedly different cost inputs than their traditionally sited counterparts, so it may be helpful for the IPA to better understand those differences. In this response, the JSP provides high-level feedback on key areas of concern and offers constructive recommendations to improve the proposed approach. These comments are intended to complement the more detailed submissions from individual member companies and trade associations within the JSP.

1. **Sensitive Data:** Protecting the confidentiality of sensitive pricing data is critical to maintaining a fair and competitive market for all participants - customers, Approved Vendors, and designees. The JSP are concerned that the measures outlined in the Request for Comments are insufficient to safeguard this information, particularly in light of potential risks under the Freedom of Information Act (FOIA). Allowing any portion of the data to be publicly accessible through a FOIA request could undermine the integrity of the market, provide unfair competitive advantages, and harm smaller or less-resourced companies.

The IPA's current approach, which requires Approved Vendors to designate specific portions of their submissions as confidential and provide both public and redacted versions, does not meet the basic standard of data protection that should be expected in

a competitive program such as Illinois Shines. This framework places undue burden on participants to identify proprietary data and risks the accidental disclosure of sensitive information. Additionally, requiring Approved Vendors to label data for confidentiality in the IPA Portal increases administrative complexity and creates an uneven playing field, where larger entities with more legal resources could gain an unfair advantage.

The JSP recommends that the IPA adopt a stricter and more comprehensive approach to data security, in addition to limiting data collection consideration to the sectors of industry that are front-of-meter projects. All cost data provided by Approved Vendors should be treated as confidential by default, and no individual project data should be subject to FOIA requests. Public reporting should be limited to anonymized and aggregated data, ensuring no entity gains access to detailed information that could be used to manipulate the market. Furthermore, sharing sensitive cost data—even under assurances of confidentiality—poses inherent risks that must be addressed through stronger safeguards. Similar data is not collected or disclosed in other state programs, and Illinois should follow this precedent to protect its industry from unnecessary risks.

We urge the IPA to reevaluate the proposed confidentiality measures and implement a framework that guarantees robust protections for all participants. Without such measures, the risk of disclosure could deter participation, undermine trust in the program, and hinder the IPA's broader goals for equitable and competitive market development.

2. **Community Solar:** The JSP supports using real-world data to calculate REC prices but has significant concerns about the administrative burden this data collection exercise would impose on Vendors. Most Vendors in community solar are developers who typically sell their projects to long-term owners and operators before submitting Part II applications. These owner-operators, not the developers, would be responsible for disclosing the requested data to the IPA. Given the relatively small number of owner-operators, the data-sharing requirements could be burdensome and might unintentionally inflate program costs.

Additionally, providing the proposed cost inputs publicly—whether anonymized or not—introduces risks. This approach could enable construction contractors, operations and maintenance providers, Vendors, and other third parties to adjust their pricing based on publicly available cost data. Such transparency could diminish competitive pricing, as it would reveal the maximum amounts others are paying for supplies and services in solar projects.

For these reasons, while JSP strongly prefers using the 4 CREST inputs over the 10 NREL inputs, the ideal approach would be to require only non-sensitive inputs, such as interconnection costs, in addition to the total cost input already collected in Part II applications. Any additional category inputs should be optional. However, if the Agency proceeds with its proposed approach, JSP recommends two solutions to minimize burdens and maximize the utility of the data.

The primary way IPA should reduce this burden is to limit the required data to the general CREST model categories listed in the RFC (interconnection costs, generation equipment, balance of plant, and development costs and fees). And because some of those categories are ambiguous, the Agency should seek to provide short guidance to define what items should be included in each.

Approved Vendors must also have the option to indicate other project characteristics and costs. This flexibility ensures realistic reporting of actual costs. For instance, site characteristics including rooftops, landfills, carports and other built environment structures have an impact on total costs. Similar cost increases come from pollinator or agrivoltaic practices, or greater use of EECs. While the industry is eager to increase these practices, they do raise costs. To ensure these costs are effectively tracked in the model, the Portal should include fields to easily indicate which of these project characteristics are relevant to each project.

3. **Residential Solar:** The JSP are concerned about the granularity, volume, and practical implications of cost data collection proposed in Feedback Request #3. Requiring detailed reporting at such a level (e.g., individual cost categories broken down to sub-components) places a disproportionate burden on smaller companies, particularly those lacking advanced accounting systems. Most companies do not calculate costs with the level of granularity specified (e.g., breaking out costs for modules, inverters, labor, and permitting separately on a per-project basis), and such requirements could exclude smaller vendors from participation, exacerbating disparities in the market.

The JSP respectfully recommends that the IPA does not collect detailed cost data for behind-the-meter systems and in particular residential rooftop systems. The administrative burden of gathering and reporting such granular data would disproportionately impact residential solar companies and could deter participation in the program. Furthermore, the benefits of collecting this level of data are unclear, as it may not significantly enhance the accuracy of the REC pricing model relative to the resources required to comply. We believe that continuing to rely on existing national benchmarks, such as those from the NREL, is a more practical and efficient approach for these systems.

4. **Feedback on Data Collection Phases:** For Phase I, aggregated cost data collection is a reasonable starting point. We encourage including an option for Community Solar approved vendors to provide only estimates or ranges if specific figures are unavailable, especially for forecasted projects. For Phase II, data fields added to Part II applications should be limited to essential inputs that align with CREST methodologies. Any new requirements should be phased in gradually, with training resources provided to Approved Vendors to ensure smooth adoption.
5. **Age of Reported Costs vs REC Pricing for Future Projects:** The JSP are concerned that the cost data points requested provide an exclusively *backwards looking* picture of costs for a *forward looking* pricing model. For Community Solar projects, many projects

submitting a Part II Application in 2025 were awarded REC contracts in PY '23-'24 and would have negotiated EPC pricing and received interconnection agreements in that year. The same logic would apply to the January Phase I survey collecting data on projects completed in calendar year 2024 or expected to be completed in calendar year 2025, which would have EPC pricing negotiated and received interconnection agreements potentially as early as 2022.

In contrast, the CREST model seeks to approximate costs for projects that will receive REC contracts in PY '25-'26 and beyond, likely not being completed until 2026-2027, which would be negotiating EPC contracts and receiving interconnection agreements next year. The problem with this timing discrepancy is that the significant and continued growth of the solar market following the passage of CEJA has resulted in a significant supply/demand imbalance for solar EPC work as workforce programs have struggled to get off the ground. Many JSP community solar members have reported a dramatic increase in EPC costs for projects being priced today. Furthermore, as the distribution grids have become more congested with all the additional projects, the average interconnection upgrade costs have increased as interconnections become more complicated.

The JSP therefore recommends that the IPA extend the January survey to include forecast information for projects expected to receive REC awards in PY '25-'26. The additional data points would better enable the IPA to understand pricing trends to ensure modeled costs more closely reflect the projects that will receive awards in the next program year.

The JSP value the IPA's efforts to enhance the REC pricing model and ensure alignment with Illinois market realities. By prioritizing data security, reducing administrative burdens, and adopting flexible approaches, the Agency can achieve its goals without unintended consequences for industry participants. We look forward to continued collaboration on this critical issue and welcome any opportunity to discuss these recommendations further.

Respectfully submitted,

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