

Legislatures, Energy Offices, and Public Utility Commissions: Roles, Jurisdictions, and Interactions

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Background: What is the IPA??

- Created by legislature in 2007, sister agency to ICC (state PUC)
- Established to prepare procurement plans and conduct procurement events to meet supply requirements of “eligible retail customers” (default supply customer load)
- Tasked with implementing state’s renewable energy portfolio standard, including conducting competitive procurement events and administering state renewables fund
- Beginning 2017, tasked with developing adjustable block program to support development of DG and community solar
- Beginning 2017, tasked with developing Illinois Solar for All program (low-income solar program)
- Moved to oversight of Executive Ethics Commission in 2011

Typical IPA Procurement Plan Process (found in 220 ILCS 5/16-111.5)

Load forecasts received from utilities July 15 . . .

Draft Plan by IPA

- Aug 15
- Comment Process
- Proposes procurements to meet statutory requirements

Filed Plan by IPA

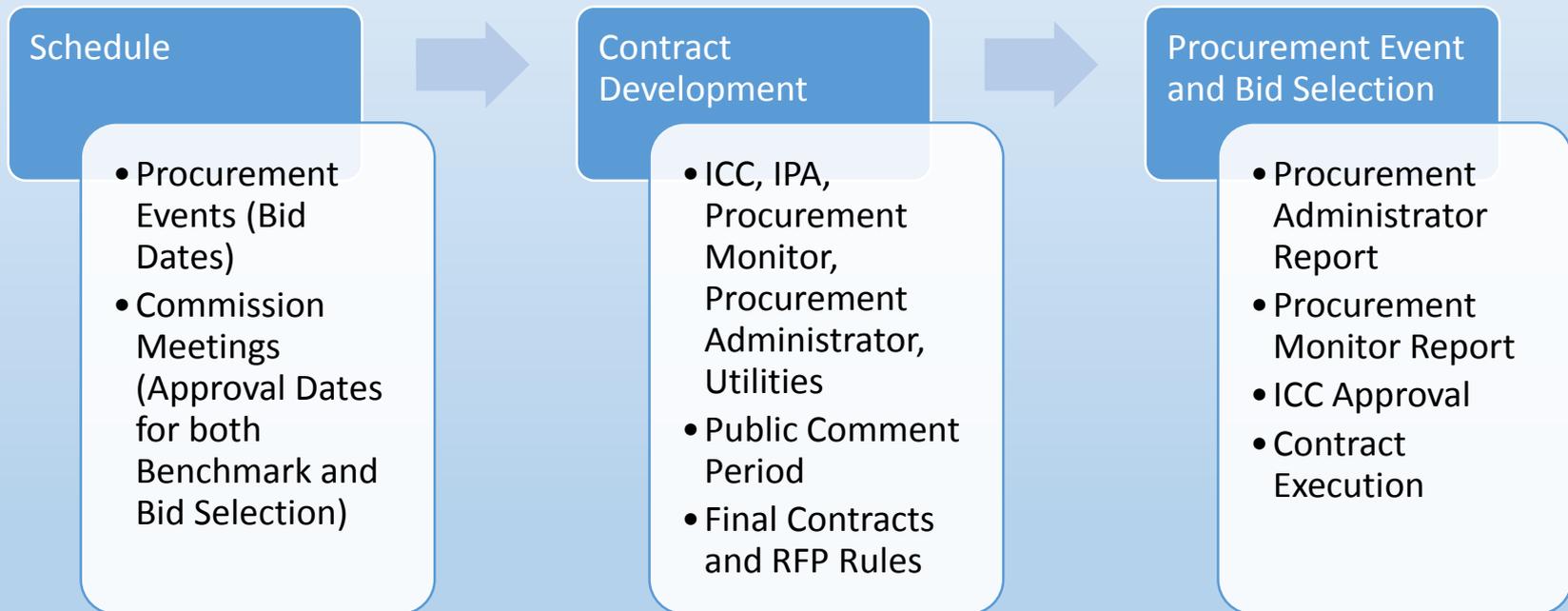
- Revised based on comments
- Filed with ICC (state PUC) for Approval
- Other parties intervene

Final Order from ICC

- After 90 day proceeding
- Final administrative action subject to appeal
- IPA files revised plan (eventually)

Typical IPA Procurement Event Process (found in 220 ILCS 5/16-111.5)

Final Order issued by Illinois Commerce Commission approving IPA procurement plan . . .



Process for Solar RECs in IL??

Changed in 2017 through legislation....

- Long-Term Renewable Resources Plan developed for all future procurements to meet state RPS
 - Except Initial Forward Procurements for Utility-Scale
 - Initial Forward Procurements still subject to Procurement Event Process
 - Commission Approval of Procurement Results Still Required
- Moving to a standing offer price for distributed generation and community solar via adjustable block program
 - IPA proposes schedule of prices, block size, etc.
 - Commission approves via approval of Long-Term Renewables Plan
 - IPA then develops and administers program (with help from third-party program administrator)
 - All contracts executed still subject to Commission approval
- IPA process is for RECs only
 - Net metering for DG customers
 - Bill off-set for community solar customers
 - Off-take agreements for utility-scale projects?? Not state-facilitated

Key issues: Who determines?

- Development incentive: RECs, energy, grants . . . Some combination?
 - How do grants/rebates interact with RECs?
 - Solar inverter rebate example in IL, alters net metering revenues
 - State energy office grants – invalidate RECs?
- How is energy handled? Is off-take mandated?
 - Very different between restructured vs vertically integrated
 - Obviously varies by system size as well
 - Need clear authority from legislature if binding third-party
- What systems can qualify for incentives/RPS? What system types are preferred?
 - Geographic considerations? Preference for in-state generation?
 - System size considerations? What thresholds? Preference for smaller?
 - Other attributes? Brownfield, canopies, low-income communities, etc.
 - Project maturity? Site control, interconnection applications, etc.
- How are incentive (such as REC) prices set?
 - Determined by competitive bidding? Administratively set by state PUC?
 - Determined by statute?

Key issues: Who determines?? (Part 2)

- How are key contract terms set?
 - Payment schedule set by statute? Up-front payments allowed?
 - Requirements to ensure RECs delivered with up-front payment?
 - Statutory guidance from legislature can be important to Comptroller
- Installer certification requirements – who sets?
 - Generally handled through state PUC with guidance from legislature
 - “qualified person” example from supplemental photovoltaic procurement in 2014
 - Systems installed in state versus systems eligible to participate in state RPS?
 - Different considerations as between solar and wind
- Who are the counterparties to incentive contracts?
 - Utilities? State itself? Third-party Administrator? Generally made clear by legislature, but not always (or entirely)
 - Requirement for retirement of RECs upon delivery and payment?
- System measurement requirements – how exact?
 - Often reference to need to measure in statute, but not exact standards
 - Difficult for statute to keep up with changing technologies, however
- Consumer protection – who can sell community solar shares, DG systems?
 - Tends to be less frequently addressed in statute than installer requirements

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Questions? Comments?

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