ISEA Policy Webinar

Illinois Renewable Portfolio Standard Review

December 13, 2016
Future Energy Jobs Bill Summary

• Creates IPA Long Term Planning Process
• $200M annually from Lines Charge (3 year phase-in/phase-out ARES)
• Effective Date June 1, 2017 (Implementation late 2017/early 2018?)
• Initial Utility Scale procurement (1:1 wind goals)

<table>
<thead>
<tr>
<th>Year</th>
<th>Wind</th>
<th>Solar</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>650 MW</td>
<td>1,350 MW</td>
</tr>
<tr>
<td>2025</td>
<td>1,000 MW</td>
<td>2,000 MW</td>
</tr>
<tr>
<td>2030</td>
<td>1,350 MW</td>
<td>2,700 MW</td>
</tr>
</tbody>
</table>

* Currently 55 MW installed Renewable Energy

Sec 16-111.5(b)(5) (p 397), Sec 1-75(c)[(1)(A) (p 76), (1)(B) (p 77), (1)(C) (p 79), (1)(E) (p 82), (1)(G) (p 85) ]
Illinois RPS Carve-Outs

All RECs Procured Due to RPS → Increases over time to 25% of load by 2025/thereafter

Non-Grandfathered Requirement

- 75% Wind or PV
  - 2-4 MM RECs from new wind resources
  - 50+% ABI
    - 25+% Small DG
    - 25+% Large DG
  - 40+% Utility
  - 2+% Brownfield

- Remaining 25%
  - 2-4 MM RECs from new solar resources
  - 25+% CSG

Grandfathered Resources

To count towards RPS requirements

DG Solar or CSG for Low Income

ABI = Adjustable Block Incentive
Small DG = \leq 10 \text{ kW}
DG = Distributed Generation (behind the meter, up to 2 MW AC)
CSG = Community Solar Garden (up to 2 MW AC)
2-4 MM RECs from New Solar Resources

### New Build Targets

<table>
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<tr>
<th>Year</th>
<th>Solar</th>
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<tbody>
<tr>
<td>2020</td>
<td>1,350 MW</td>
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Sec 1-75(c)(1)(C) (p 79)
Adjustable Block Incentives

Renewable Energy Credit (REC)

- **Small DG <10kW**
  - 15 Year REC
  - Paid upfront

- **Large DG (10kW to 2,000 kW)**
  - 15 Year REC
  - 20% paid upon completion, balance over 4 years

- **Community Solar (<2,000 kW)**
  - 15 Year REC
  - 20% paid upon completion, balance over 4 years

Sec 1-75(c)(1)(K), (L), and (M) (p 95)
Adjustable Block Program - example

Con Edison Region Residential

Block 7
Size: 38000.00 kW
$0.40/W
Opened: 11/21/2016
1297.79 kW Submitted
36702.21 kW Remaining

Con Edison Residential Block Structure

<table>
<thead>
<tr>
<th>BLOCK</th>
<th>MEGAWATTS</th>
<th>INCENTIVE/WATT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>14</td>
<td>$1.00</td>
</tr>
<tr>
<td>2</td>
<td>6</td>
<td>$0.90</td>
</tr>
<tr>
<td>3</td>
<td>9</td>
<td>$0.80</td>
</tr>
<tr>
<td>4</td>
<td>12</td>
<td>$0.70</td>
</tr>
<tr>
<td>5</td>
<td>17*</td>
<td>$0.60</td>
</tr>
<tr>
<td>6</td>
<td>18</td>
<td>$0.50</td>
</tr>
<tr>
<td>7</td>
<td>38</td>
<td>$0.40</td>
</tr>
<tr>
<td>8</td>
<td>70</td>
<td>$0.30</td>
</tr>
<tr>
<td>9</td>
<td>120</td>
<td>$0.20</td>
</tr>
</tbody>
</table>

*Revised 12/30/2015

Sec 1-75(c)(1)(K), (L), and (M) (p 95)
Customer Billing Unchanged!

- Demand Charge Language - dropped from legislation
- Net Metering - no change from today’s guidelines
  - Existing Systems grandfathered at full retail NEM for life of system
  - New Systems -
    - Study triggered at 3% “total peak demand”
    - Switches to energy only for new customers at 5%
  - Community Solar - energy only net metering

Sec. 16-107.5 (p 257)
Creates DG Rebates for Non-NEM Systems

- Requires utility to offer rebates to qualifying DG* and community solar projects (with Smart Inverter)
  - Rebate Value = $250/kW installed
  - Payable upfront
  - Utility can rate base rebate costs

- Utility permitted to control inverter for grid reliability and potentially other grid services,
  - subject to fair compensation through a tariff reviewed and approved by the commission**

- Upon reaching 3% NEM penetration, the ICC to study new rebate value based on locational value
- Upon reaching 5% NEM penetration, new locational value shall take effect

* Non-NEM Customers (ComEd >100kW peak demand, Ameren >150kW peak demand)
**See Section detail for complex terms and options governing the relationship of DG rebates, net metering, and community solar.

Sec. 16-107.6 (p 276)
## Adjustable Block Incentives - Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>Goal</th>
<th>NEM</th>
<th>REC</th>
<th>Rebate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small DG &lt;10kW</td>
<td>25%</td>
<td>No Change</td>
<td>15 Year Contract Paid upfront</td>
<td>n/a</td>
</tr>
<tr>
<td>Large DG 10kW – 2MW</td>
<td>25%</td>
<td>No Change</td>
<td>15 Year Contract 20% when energized Balance over 4 Years</td>
<td>C&amp;I =$250/kW Paid upfront</td>
</tr>
<tr>
<td>Community Solar &lt;2MW</td>
<td>25%</td>
<td>Energy only</td>
<td>15 Year Contract 20% when energized Balance over 4 Years</td>
<td>$250/kW Paid upfront</td>
</tr>
<tr>
<td>IPA Discretion &lt;2MW</td>
<td>25%</td>
<td>Based on Category</td>
<td>Based on Category</td>
<td>Based on Category</td>
</tr>
</tbody>
</table>

Sec 1-75(c)(1)(K), (L), and (M) (p 95)
• Systems up to 2MW
• <40% single subscriber
• 200W minimum subscriber
• Located in same utility service area
• Subscriptions portable & transferable

3 Value streams:
• Value of Energy created
• REC from ABI
• Rebate ($250/kW)
Solar for All Program

- Provides annual funding ($10M to $20M/year)
- Includes Low-Income Job training & a pathway for job placement
- Assures funding for Low-Income solar installations
- Success evaluated and adjusted through IPA long term planning

Sec 1-75(c)(1)(O) (p 44), Sec 1-56 (p 15)