

Illinois REC Procurement Events

ISEA Policy Committee

February 17, 2015

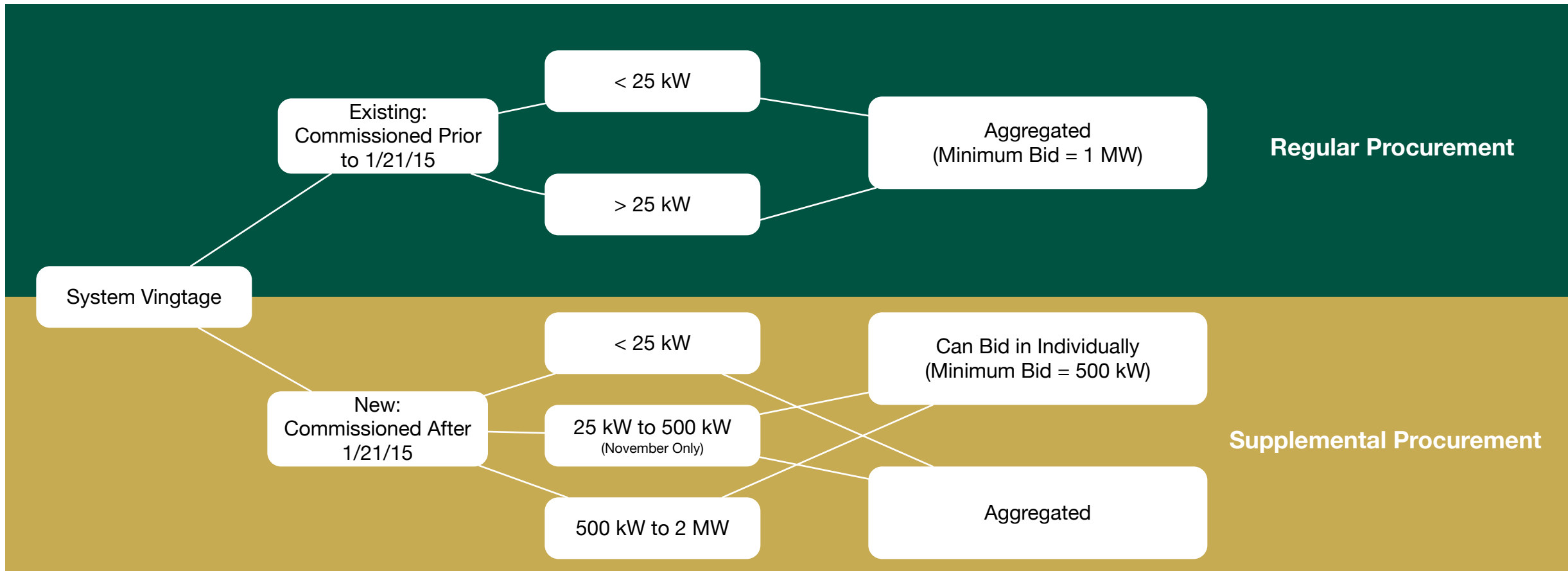


Agenda

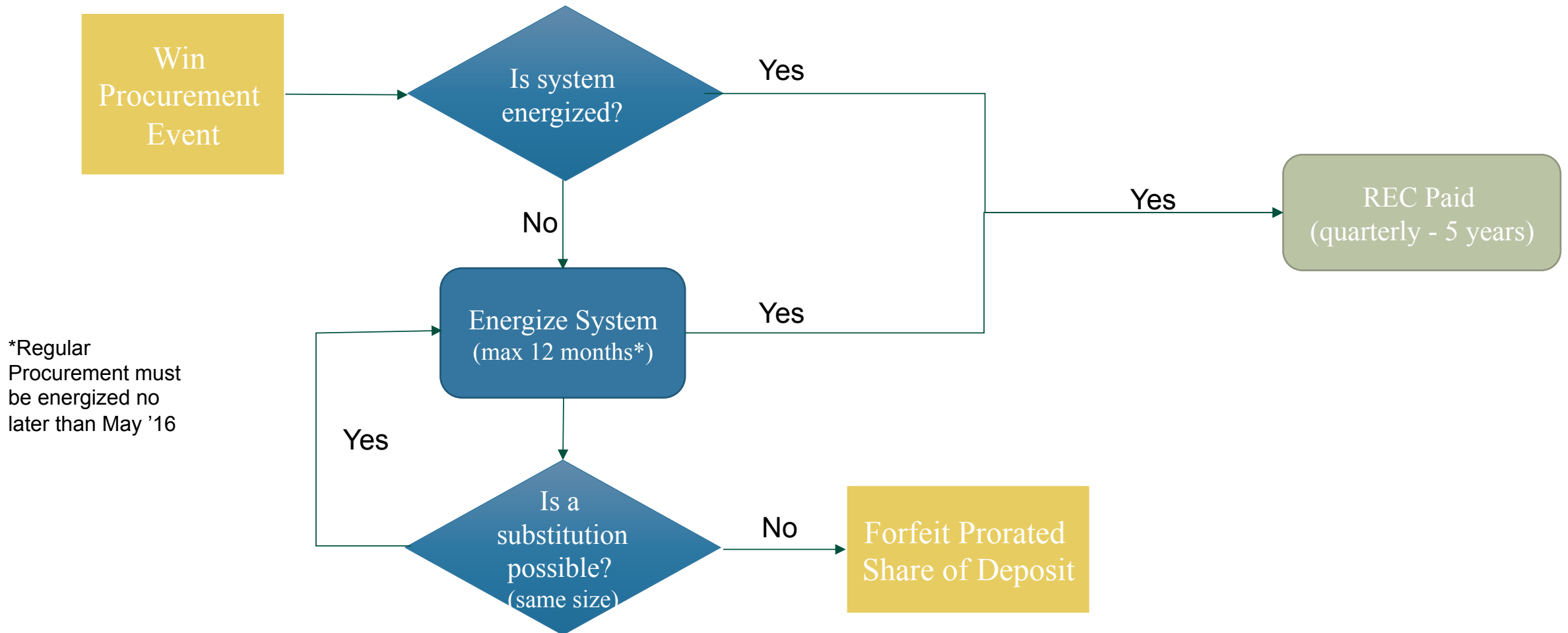
Illinois will have two major Renewable Energy Credit (REC) procurements in 2015/2016

- Regular Procurement – general renewables and distributed generation (DG) solar
- Supplemental Procurement - the Illinois Power Agency (IPA) will purchase \$30 million renewable energy credits (RECs) from new solar resources photovoltaic systems in 2015/2016.

Where Does My Existing or Planned System Fit?

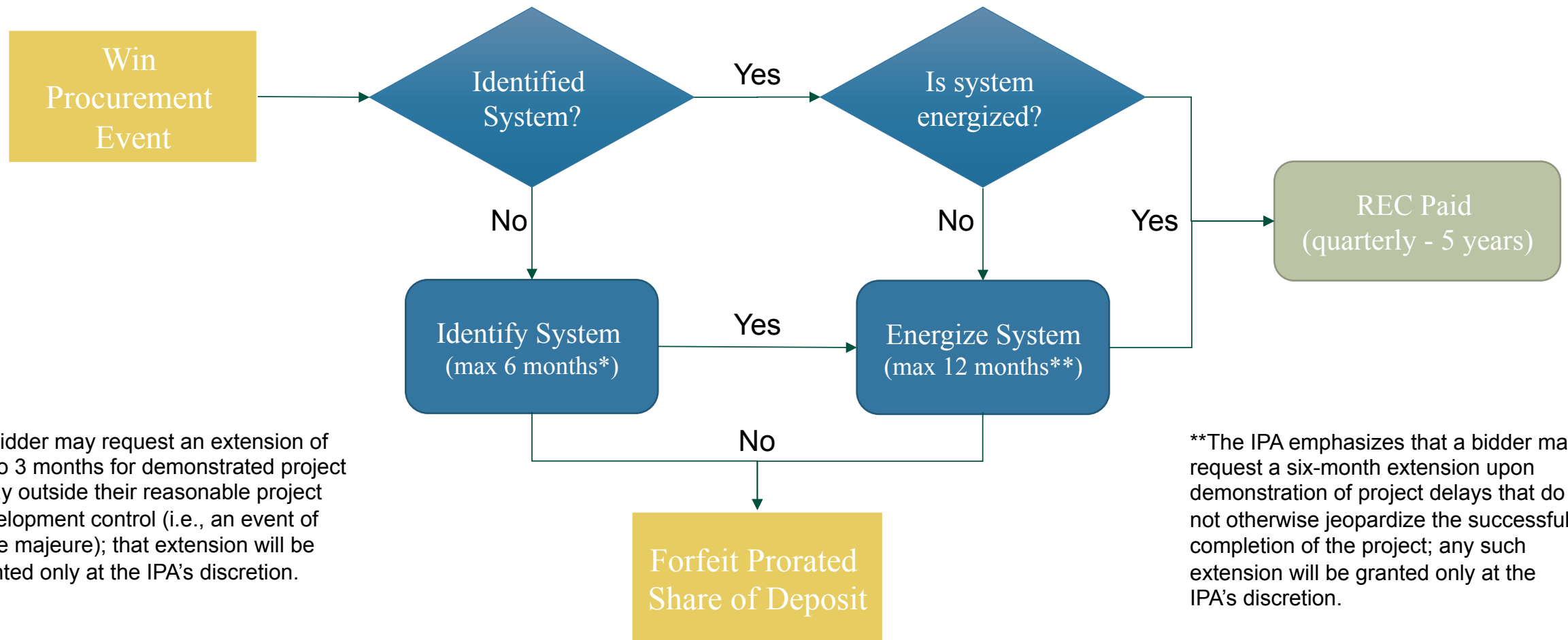


Regular Procurement (all) & Supplemental Procurement (>25kW Systems)



*Regular Procurement must be energized no later than May '16

Supplemental Procurement <25kW Systems



*A bidder may request an extension of up to 3 months for demonstrated project delay outside their reasonable project development control (i.e., an event of force majeure); that extension will be granted only at the IPA's discretion.

**The IPA emphasizes that a bidder may request a six-month extension upon demonstration of project delays that do not otherwise jeopardize the successful completion of the project; any such extension will be granted only at the IPA's discretion.

Two Procurement for DG Solar



	Regular Procurement	Supplemental Procurement
RECs	“Existing”	“New” – Energized after plan approval (January 2015)
Procurement Events	September 2015	June 2015 November 2015 March 2016
Bid Categories	<25 kW (50% of total) 25 kW to 2,000 kW (50% of total)	<25 kW 25 kW to 500 kW (November only) > 500 kW
Bid Minimums	> 1 MW (less than 1 MW must aggregate)	> 500 kW
Refundable Bid Deposit	\$8/REC No speculative bids	\$8/REC \$16/REC for Speculative Bids
Non-refundable Bid Deposit	\$500	None
“Qualified Person”	Old definition	New definition
Metering Requirements	None identified	“Revenue grade” for > 25 kW
Contract Length	5 years	5 years
Procurement Goal	50% RECS from <25 kW 50% RECS from > 25 kW to 2 MW	50% of RECS from <25 kW 15% of RECS from >25 kW to 500 kW (November only) 35% of RECS from >500 kW to 2 MW

Regular Procurement Notes



- IPA will procure SREC for utilities as part of its regular energy procurement procedure
 - Any year that the IPA purchases conventional power for the utilities they are also required to purchase renewable energy per the IPA Act.
- April 2015 Procurement will be about \$13 million to purchase one-year SREC contracts. Expected to be for existing utility-scale systems
- September 2015 Procurement will be for RECs from Distributed Generation Resources
 - 50% from systems less than 25 kW
 - Existing systems are eligible
 - Contracts for 5 years from date of first meter reading from an appropriate tracking system (GATS or M-RETS)
 - Bidders must aggregate to a minimum bid of 1 MW
 - Can include blended < 1 MW and > 1 MW systems
 - Can include individual prices for individual systems

Supplemental Procurement Notes



- Eligible Systems = “New Distributed Solar”
 - PV systems that have been energized on or after the approval date of the plan (January 21, 2015) are considered “new”.
 - Interconnected at the distribution system level of either an electric utility, ARES, municipal utility, or a rural electric cooperative; located on the customer’s electricity load; and limited in nameplate capacity to no more than 2,000 kW.
 - Systems that participate, or have participated, in grant, incentive, rebate or tax credit programs may participate so long as that participation does not include the sale or assignment of RECs. (DCEO grants are OK because they do not assign the RECs.
- REC Calculation Formula
 - $\text{Contracted RECs} = \text{Nameplate Capacity (MW)} \times 14.38\% \text{ Capacity Factor} \times 8760 \text{ hours/year} \times 5 \text{ Years}$
- Categories of Systems
 - Less than 25 kW (50% of RECS goal)
 - Between 25 kW and 500 kW (November only)
 - Between 500 kW and 2 MW
- Speculative vs. Identified Systems
 - Systems larger than 25 kW must be specified in the bid (i.e. location, system size, etc)
 - Systems smaller than 25 kW may be speculative (6 months after award to specify)
- Deposit Requirements to Bid – 50% due at time of bid, remaining 50% within 14 days of award
 - \$8/REC for identified projects (\$5,140 for a 100 kW project)
 - \$16/REC for speculative projects
- Must be installed by “Qualified Person” (slightly different than that required by the ICC for DG Certification)
- Must be built within 12 months of award (potential 6 month extension)
- Revenue grade meter required for > 25 kW systems. RECs delivered via GATS or M-RETS
- Aggregators are not necessary but allowed:
 - System owners can participate directly as long as they meet credit and minimum bid requirements (500kW).
 - Anyone can be an aggregator as long as they have the right to sell the RECs from projects, meet credit requirements, and meet minimum bid requirements. You will need to pre-qualify.

Supplemental Procurement Timeline



	Procurement Amount	Under 25 kW	25 kW to 500 kW	500 kW to 2 MW
June 2015	\$5 million	Minimum Bid 500 RECs (79 kW) Maximum Bid of 5000 RECs (~790 kW)	500 kW maximum system size (3150 RECs)	
November 2015	\$10 million	No maximum bid size for aggregated systems Goal is 50% of RECs	Goal is 15% of RECs	Goal = 35% of RECS
March 2016	\$15 million	No maximum bid size		

Aggregation

- Possible ISEA Preferred Aggregator program in the works
- ISEA will communicate aggregator options and information on their processes in the near term



Definition of Qualified Person (Defined in Section 1-56(i)(1))



For the purposes of this paragraph (1), "qualified person" means a person who performs installations of photovoltaics, including, but not limited to, distributed photovoltaic generation, and who:

- (A) has completed an apprenticeship as a journeyman electrician from a United States Department of Labor registered electrical apprenticeship and training program and received a certification of satisfactory completion; or
- (B) (does not currently meet the criteria under clause (A) of this paragraph (1), but is enrolled in a United States Department of Labor registered electrical apprenticeship program, provided that the person is directly supervised by a person who meets the criteria under clause (A) of this paragraph (1); or
- (C) (has obtained one of the following credentials in addition to attesting to satisfactory completion of at least 5 years or 8,000 hours of documented hands-on electrical experience:
 - i. a North American Board of Certified Energy Practitioners (NABCEP) Installer Certificate for Solar PV;
 - ii. an Underwriters Laboratories (UL) PV Systems Installer Certificate;
 - iii. an Electronics Technicians Association, International (ETAI) Level 3 PV Installer Certificate; or
 - iv. an Associate in Applied Science degree from an Illinois Community College Board approved community college program in renewable energy or a distributed generation technology.

For the purposes of this paragraph (1), "directly supervised" means that there is a qualified person who meets the qualifications under clause (A) of this paragraph (1) and who is available for supervision and consultation regarding the work performed by persons under clause (B) of this paragraph (1), including a final inspection of the installation work that has been directly supervised to ensure safety and conformity with applicable codes.

For the purposes of this paragraph (1), "install" means the major activities and actions required to connect, in accordance with applicable building and electrical codes, the conductors, connectors, and all associated fittings, devices, power outlets, or apparatuses mounted at the premises that are directly involved in delivering energy to the premises' electrical wiring from the photovoltaics, including, but not limited to, to distributed photovoltaic generation.

Clean Jobs Bill Introduced



- HB2607 / SB1485
- Replace existing RPS, no longer in regular procurement events
- Does not impact Regular Procurement or Supplemental Procurement.
- Increases clean energy goal to 35% by 2030.
- Wire/Line Charge – no more funding issues!
- Low-Income Family Program (RERF \$) Pays 15 years of REC when energized.
- Declining Block – published price with reducing \$ over time. No Boom/Bust. Revised Every 2 years. Pays 15 years of REC when energized.
- Prevailing wage if >1,000kW

Take Charge!



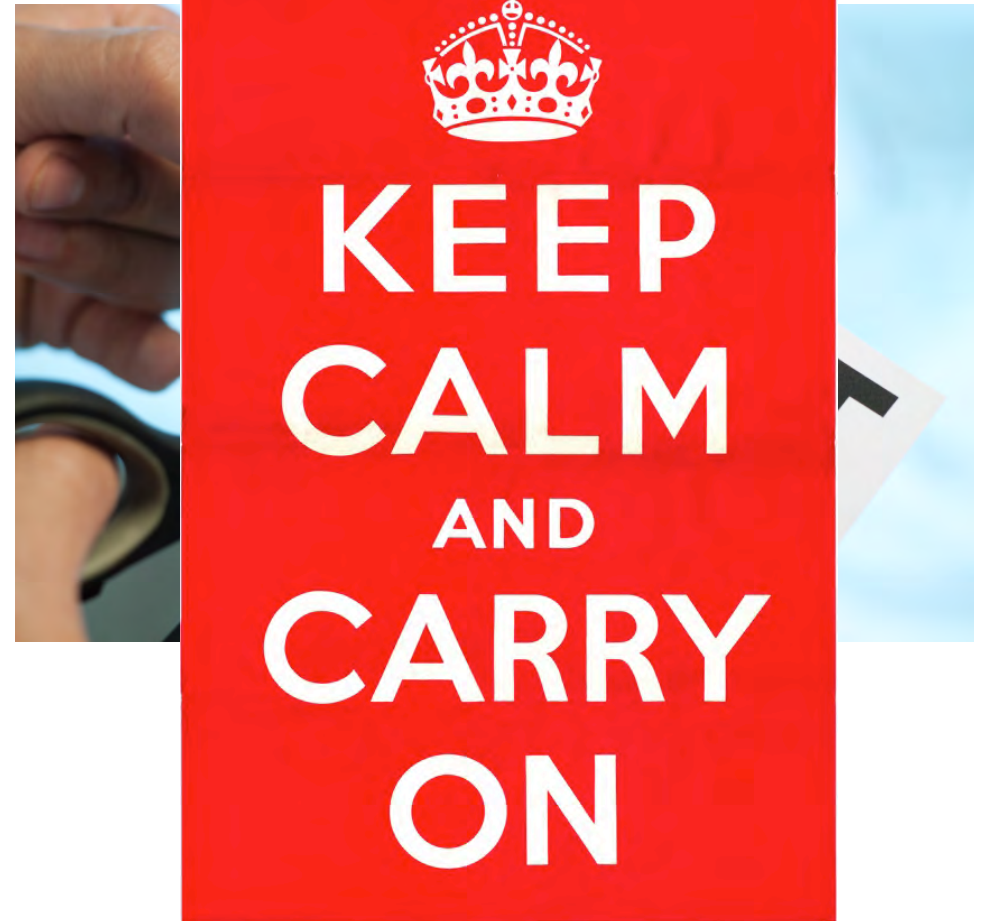
Join the Illinois Clean Jobs Coalition



<http://www.illinoissolar.org/Clean-Jobs-Coalition>

Proposed Budget Cuts

- DCEO Energy Office possibly cut
- Rebates/Grants uncertain
- ISEA meeting with Gov. office
- Alternate – focus on Supplemental Procurement!
- Current Rebate Freeze – Stay Calm, Don't Cancel Anything Yet....



Save the Date!! Solar Lobby Day



Wednesday May 6th

9AM - 3:30 PM

Meet us the evening before to socialize with
legislators!