From: Curt Rehberg
To: IPA.Solar
Subject: [External] Althoff Industries, Inc.-Stakeholder Feedback on CP initiatives
Date: Friday, September 27, 2024 9:14:32 AM

Dear Illinois Shines:

Really impressive approach on all three Consumer Protection Initiatives. After reading through, we had only a couple comments/questions, they are as follows:

Comment on Approved Vendor Cap and Claim Prioritization: The approach allowing customer claims to be paid on a prorated basis seems the most fair. Especially in light of the fact that the Agency is permitting a reasonable time period within which to file claims after the claim period is opened. However, we believe that there should be some clarification on the proration issue when the Agency-approved claims submitted exceed the amount in the AV Cap. Is the proration based upon the number of claimants or value of each claim as compared to the total value of claims against that AV? It appears that the intent is that it's based upon the value of each claim as compared to the total value of claims against the AV, but some claimants might believe that it is prorated equally among each claimant.

General comment on when in process AV adder is approved. Will the internal list of stranded customers be further classified as a Low, Medium, High or Very High classification so that a new proposed Approved Vendor is able to calculate the level of incentive before accepting the assignment or will the Approved Vendor be responsible for evaluating the level of risk based upon a published table?

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Energy Solutions- Program Administrator

Comments on Consumer Protection Initiatives for Stranded Customers

Carbon Solutions Group will be providing following comments on the Consumer Protection Initiatives for Stranded Customers with specific focus on the *Stranded Customer REC Price Adder* and the E*scrow Process for Approved Vendors* . Thank you for the opportunity to provide stakeholder feedback. We appreciate the effort invested in updating the Program and its consumer protection initiatives, which are largely positive and beneficial to the industry as a whole.

Stranded Customer REC Price Adder

Response to question #1- *Are the proposed REC adder values adequate to incentivize Approved Vendors and Designees to assist stranded customers in each of the categories listed in Tables 1 and 2 of Attachment A? If you believe the REC adder values should be higher or lower, please provide an explanation and any supporting data.*

Stranded customers require significantly longer processing times than non-stranded customers and pose a higher risk to the timely delivery of RECs. For instance, they often delay finding new installers until issues arise, resulting in prolonged system downtime. This increases the likelihood of under-delivery until repairs and maintenance are completed, if at all.

The proposed adder values for projects under 100 kW AC do not sufficiently account for the burden placed on Approved Vendors. Most stranded customers that Carbon Solutions Group assists fall into the "Medium Risk" category of the REC Adder Column 4. However, the proposed 5% increase in REC price does not provide a strong enough incentive for CSG, as it does not align with the proportional increase in time and risk that CSG assumes with these customers.

To better reflect the risk burden CSG undertakes, the REC Adder values should be doubled from the current proposal. The "Low Risk" category should start at $6, "Medium Risk" at $9, and the "High" and "Very High" categories should be merged into a single "Critical Risk" category with a REC Adder value of $16.

Response to question #2- *Are there additional categories that should be added to the Tables in Attachment A (either to cover additional types of customers or to split an existing category into multiple categories with different REC adder values)?*

The current categories provided in the Tables of Attachment A are sufficient and effectively cover the necessary customer types. Introducing additional categories may create unnecessary complexity, potentially complicating the implementation process. If changes were considered, CSG advocates for the simplification of the table to make it easier for both approved vendors and customers to use and understand.

Response to question #5- *Which approach should be used for REC adder values for larger projects (100kW and above)?*

Carbon Solutions Group recommends adopting Option 1 for larger projects. This hard-cap approach simplifies the process for all stakeholders by offering more predictable payouts and encouraging standardization. By setting clear expectations, this method minimizes potential disputes in compensation.

Response to question #9- *If an Approved Vendor submits a request for a REC adder (or higher REC adder), what REC adder values should be possible? Should the Approved Vendor have to select from one of the values set for the standard low, medium, high, or very high REC adders? Or should the Approved Vendor be able to request a custom REC adder value?*

Approved Vendors should have the ability to request a custom REC adder value in cases where they are confronted with highly risky situations that would otherwise deter them from taking on certain customers. The preset values for the standard risk categories often fail to account for the significant risk and additional overhead that AVs assume when dealing with such challenging circumstances.

In these instances, custom REC adder values would allow AVs to make more informed decisions based on the unique complexities and risks involved. Although custom requests may add a layer of complexity, they would be limited to rare cases where the standard REC adder values are insufficient to cover the actual risk and responsibilities AVs are required to take on. Offering this

flexibility would ensure that more projects move forward, while still providing appropriate compensation for the added challenges.

Response to question #10- *How should the REC adder be applied if a customer is stranded by both their Approved Vendor and also by an installer Designee? Should the higher applicable REC adder apply? Should both potentially applicable REC adders be awarded? Should the customer be automatically eligible for the highest possible REC adder value?*

The REC adder categories cover the most common scenarios for stranded customers. However, in limited circumstances it may make sense for the REC adder from multiple categories to be combined. This could perhaps be done via the process for a custom REC adder mentioned in the previous question.

Response to question #11- *How should the REC adder be reflected in invoicing, in different situations (e.g., invoicing has not started yet, invoicing has started but not finished, invoicing has finished).*

If invoicing has not started, the REC price should be adjusted to incorporate the REC adder values. If invoicing is ongoing, the adder should be applied retroactively to the remaining RECs, with the REC price adjusted accordingly. If invoicing has been completed, a final invoice should be issued based on the remaining value of the REC adder.

Response to #12- *When a stranded customer REC adder is applied, should the REC Contract go back to the Illinois Commerce Commission for re-approval?*

Carbon Solutions Group opposes the requirement for ICC re-approval, as it significantly extends application processing times and reduces overall efficiency. However, if Approved Vendors are mandated to post collateral for REC Adder values, re-approval from the ICC would be beneficial for managing collateral among all parties involved. We ask the Agency to clarify whether the posting of additional collateral is mandatory for REC Adder incentives. Additionally, we request that the Agency clarify whether there will be a limit on how far back the retroactive REC Adder will be applied for contracts predating the current program year.

<u>Escrow Process for Approved Vendors that Do Not Pass Through Promised Incentive Payments</u>

Response to question #1- *What should the minimum threshold be for the number of reports/complaints to potentially lead to the implementation of the escrow process? The Agency is considering a set number of reports/complaints (such as 2 or 5 credible reports within a 45-day period) or a percentage approach (such as 1% of the number of projects included in invoices for the Approved Vendor over the past three months). The Agency is attempting to*

balance consumer protection risks, which would weigh in favor of a low threshold, against the uncertainty and potential financial risk to Approved Vendors, which would weigh in favor of a higher threshold. Another option could be to use a combination of absolute numbers and percentages, such as "the greater of X reports or Y%."

Carbon Solutions Group supports the implementation of a percentage-based metric with a minimum threshold for Approved Vendors. This could be managed similarly to how changes in system AC size are handled. For instance, if more than the greater of either a specific number of claims or a set percentage of invoiced projects have credible reports against them, the escrow process would be triggered. A fair approach would be setting the threshold at no fewer than 5 claims across separate projects or 3% of invoiced projects.

Response to question #2- *If the contract between the customer and the Approved Vendor does not specify a deadline or time frame for the Approved Vendor to pass through the promised REC payment, what timeline should the Program Administrator use as a threshold to determine if there is a high risk that the Approved Vendor will not pass through the promised incentive payment to customers? Would a deadline of 30 or 45 days for the Approved Vendor to pass through a REC incentive payment (measured from the time that the Approved Vendor receives the payment from the utility) be reasonable?*

The Agency should take into account different contract types and business cases, but the threshold for unspecified payment timeframes should generally be set at a minimum of 45 to 60 days. After this period, the Program should identify the Approved Vendor (AV) as being at an increased risk of failing to pass through REC incentives.

Response to question #6- *How long should the Program Administrator wait—while attempting to obtain information about the promised pass-through payment, or while attempting to get the necessary payment information from the customer—before directing the escrow agent to disburse the entire incentive payment to the Approved Vendor?*

A waiting period of 15 days is appropriate before directing the escrow agent to disburse the full incentive payment to the Approved Vendor. This time frame strikes a balance between providing adequate opportunity for the Program Administrator to gather the necessary payment information and ensuring that the process is not unduly delayed. It offers a reasonable window for customers to respond, while also protecting the Approved Vendor from excessive waiting periods that could impact project timelines and financial planning.

Thank you for your consideration of these comments. Please let us know if any additional information is required.

Sincerely,

Dylan DeBiasi
Rhett Gopaul
Brissa Harris

Ameren Illinois ("Ameren") – Stakeholder Feedback on CP Proposals

On September 16, 2024, the Illinois Power Agency ("IPA") issued a request for stakeholder feedback regarding the following: (i) Escrow Process for Approved Vendors that Do Not Pass Through Promised Incentive Payments; (ii) REC Price Adder for Stranded Customer Solar Projects; and (iii) Solar Restitution Program. Ameren Illinois Company ("Ameren") has reviewed each of these and offers feedback as set forth below. Ameren's silence on a particular issue should not be construed as acceptance of, or disagreement with, the IPA's position or specific proposal.

I. Comments on the Escrow Process

Ameren is supportive of the IPA's use of a third-party professional escrow service as the escrow agent to make payments to customers in situations where the Approved Vendors have not passed through promised incentive payments. As the IPA suggests in its questions for stakeholders, there could be many factors that warrant the use of an escrow agent to ensure that incentive payments made by utilities are ultimately passed through to customers. Ameren agrees that all of those factors should be considered and evaluated. However, Ameren recommends that the contracting utility not be part of the evaluation process in determining whether to implement the escrow process for a specific Approved Vendor. Ameren would prefer that the IPA independently undertake this evaluation after an appropriate inquiry has been performed.

II. Comments on the Stranded Customer REC Adder

Ameren is supportive of a REC adder to incentivize Approved Vendors to assist stranded customers. Further, given the limited effect the implementation of this program will have on Ameren, it believes it is more appropriate for other stakeholders to opine on the specific questions posed by the IPA. That said, when implementing the program, Ameren does recommend that there be sufficient transparency in the invoicing process and the Quarterly Netting Statement such that any REC adder

payment to be paid to an Approved Vendor by a utility can be readily identified and distinguished from REC payments to the same Approved Vendor for RECs not entitled to the adder.

III. Comments on the Solar Restitution Program

Ameren is supportive of a solar restitution program for customers harmed through their participation in the Illinois Shines or Illinois Solar for All programs. Ameren Illinois also agrees that forfeited collateral is an appropriate funding source for this program. However, Ameren does not think utilities should be required to administer the program. Ameren believes the IPA is best positioned to manage and administer the program.

More specifically, when collateral is forfeited, the utility would transfer the forfeited collateral as directed by the IPA to a third-party administrator. The third-party administrator would then be responsible for utilizing these funds to make payments to individual customers qualified to receive restitution by the IPA. Ameren believes the third-party administrator should be accountable for the funds it administers through the program by submitting quarterly reports to the utilities. The quarterly reports should contain sufficient detail so that the utilities know the amount of claims paid and the remaining funds available for paying future claims.

IV. Conclusion

Ameren appreciates the opportunity to provide the feedback set forth above and looks forward to reviewing the responses of the other stakeholders.

October 7, 2024

VIA EMAIL

Mr. Brian Granahan
Director
Illinois Power Agency
105 West Madison Street
Suite 1401
Chicago, Illinois 60602

RE: Commonwealth Edison Company's Comments on the Illinois Power Agency's Consumer Protection Initiatives

I. Introduction

Commonwealth Edison Company ("ComEd") submits these comments on the Illinois Power Agency's ("IPA" or "Agency") three distinct consumer protection proposals that were issued for public comment on September 16, 2024.

ComEd appreciates the IPA's commitment to the success of the Illinois Shines and Illinois Solar for All programs and acknowledges that these proposals have been drafted in support of that commitment. As indicated in the posted Escrow Process for Approved Vendors That Do Not Pass Through Promised Incentive Payments, Solar Restitution Program, and Renewable Energy Certificate ("REC") Price Adder for Stranded Customer Solar Projects documents, the IPA intends to create an amendment to incorporate changes to the current and prior REC contracts. The IPA further indicates that there will be a separate stakeholder process around the creation of such an amendment. Accordingly, at this time ComEd withholds comments on the anticipated amendment process and limits these comments to the posted documents.

ComEd submits these Comments to address two over-arching concerns within each of the three proposals: (1) administrative efficiency and equity of the proposals, and (2) how the IPA

can best protect Rider REA funds collected on behalf of customers to be used in the implementation of the proposals.

II. Comments on the Escrow Process for Approved Vendors That Do Not Pass Through Promised Incentive Payments

ComEd acknowledges the IPA's concern for situations in which Approved Vendors have not passed through to their customers some or all the REC incentives promised to those customers. ComEd further acknowledges that as the Illinois Shines contracts stand today, if such an Approved Vendor is following all requirements of their contract with the respective utility, the utility does not have the means to withhold payment to the Approved Vendor. ComEd supports the implementation of an escrow process to remedy these situations and provides the following general comments for the IPA's consideration.

First, ComEd requests the IPA clarify how the costs incurred for use of an escrow agent will be invoiced to the utilities. ComEd suggests that the escrow agent costs to the utilities be invoiced on a monthly basis, preferably embedded in the Energy Solutions or IPA invoices, or at least similar to the manner in which monthly Energy Solutions costs are invoiced. Second, ComEd's preference is for the IPA to select one escrow agent to manage this program, rather than multiple escrow agents. Third, ComEd requests that the final escrow process document contain explicit language regarding the timing of when the utilities would be notified of the IPA's decision to use an escrow agent for a particular Approved Vendor, as well as notification of the requirement to make necessary changes in where payment is directed for that vendor, so as to align with the timing included in the current program guidebook for updating banking information.

With respect to specific language in the escrow process proposal, on page 7 an example is provided in the second-to-last paragraph in which a customer receives a payment from the escrow process for an amount that could be higher than that customer's Approved Vendor receives for the system. ComEd requests the IPA clarify from where that funding would come. Additionally, ComEd's understanding is that if the IPA initiated the use of the escrow process for an Approved Vendor the utility would still pay the invoice amount as calculated under the contract originally executed between the Approved Vendor and the utility but would instead pay that amount to the escrow agent rather than the Approved Vendor. ComEd requests that the IPA confirm the understanding that utility payments to an escrow agent would be the amounts supported by the contract between the Approved Vendor and the utility.

III. Comments on the Solar Restitution Program

To ensure the success of the Illinois Shines and Illinois Solar for All programs, the IPA proposes the establishment of a Solar Restitution Program to provide economic assistance to customers harmed through their participation in one of the programs. ComEd requests that the final proposal addresses the following issues.

First, ComEd requests the IPA clarify whether additional fees incurred by the utilities for the work performed by the Program Administrator would be paid from the forfeited collateral balance and whether these fees would be included on the monthly invoices that the utilities currently receive from the IPA. Second, ComEd is supportive of the IPA using a third party to pay approved claims to customers, with ComEd transferring the forfeited collateral balance at the start of the program for the third party to use to fund approved claims. Third, ComEd requests the IPA provide additional language in the process document regarding the group that will be managing the running balance of forfeited collateral available for the Solar Restitution Program.

As ComEd would not be managing the claims submitted or approved, ComEd offers the suggestion that the IPA manage the running balance of forfeited collateral available for approved claims. Fourth, ComEd requests the IPA clarify that Approved Vendors will be notified of projects for which their customers received a payment from the Solar Restitution Program. In situations where an Approved Vendor is seeking program reinstatement with the IPA, it is unclear whether the Approved Vendor should make a payment to the IPA or directly to the customer that was harmed. Additionally, it is unclear as to how the IPA to monitors whether a customer received a payment from their Approved Vendor when the customer also received a payment from the IPA through the Solar Restitution Program.

IV. Comments on the REC Price Adder for Stranded Customer Solar Projects

ComEd acknowledges customers being stranded now and possibly in the future in both the Illinois Shines and Illinois Solar for All programs. The IPA's commitment to the success of these programs includes the establishment of incentives for Approved Vendors to absorb customers that have been stranded by other Approved Vendors so those customers' projects meet the commitments contained in the contracts between the Utility and the original Approved Vendor. As stakeholders lack the IPA's knowledge and experience with the challenges customers may face being stranded by an Approved Vendor, ComEd requests that the final proposal addresses the following issues.

First, ComEd requests that the IPA provide specificity with respect to the budget necessary to fund the REC Price Adder. Second, ComEd requests that the IPA provide clarification on how it will match eligible Approved Vendors with stranded customers, and whether consideration has been given to whether the IPA should be selecting which Approved Vendor is assigned to a stranded customer to prevent potential gaming and to fairly distribute the

economic opportunity to assist stranded customers amongst all eligible Approved Vendors. Third, that the IPA describes and assesses what, if any, difficulties the IPA anticipates in Approved Vendors agreeing to an "AV Reassignment" as noted in number of the scenarios listed in Attachment A. On this point, ComEd is concerned with situations arising with a non-responsive Approved Vendor delaying or preventing the processing of an application under this program.

In response to Question 11, ComEd requests that the REC Adder be reflected as a separate line item in all invoices and supporting documents, and whether the REC Adder will be calculated on the number of RECs not yet delivered by a project if paid to the Approved Vendor over the remainder of the delivery term of that project to ensure support from the Approved Vendor for the duration of the delivery term. Finally, in response to Question 12, ComEd requests that all instances in which a REC Adder is applied be approved by the Illinois Commerce Commission.

V. Conclusion

ComEd respectfully requests that the three consumer protection proposals listed above be revised to reflect the comments articulated herein.

Respectfully submitted,

Christopher M. Foley
Director, Energy Acquisition
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[redacted]

To: The Illinois Power Agency, **IPA.Solar@illinois.gov**
Subject: IL Solar for All Working Group-Stakeholder Feedback on CP Proposals
Date: October 7, 2024
From: Members of the Illinois Solar for All Working Group

Dear Illinois Power Agency:

The Illinois Solar for All Working Group is pleased to deliver the enclosed comments in response to the Requests for Comments on the New Consumer Protection Initiatives.

For these comments, specific signatories include:

Citizens Utility Board
Central Illinois Healthy Community Alliance
A Just Harvest
Central Road Energy
Greenlink Solar Solutions, Inc.

I. Escrow
1.What should the minimum threshold be for the number of reports/complaints to potentially lead to the implementation of the escrow process? The Agency is considering a set number of reports/complaints (such as 2 or 5 credible reports within a 45-day period) or a percentage approach (such as 1% of the number of projects included in invoices for the Approved Vendor over the past three months). The Agency is attempting to balance consumer protection risks, which would weigh in favor of a low threshold, against the uncertainty and potential financial risk to Approved Vendors, which would weigh in favor of a higher threshold. Another option could be to use a combination of absolute numbers and percentages, such as "the greater of X reports or Y%."

Answer: More than one credible (verified) report/complaint within a 90-day window should trigger the escrow process

2.If the contract between the customer and the Approved Vendor does not specify a deadline or time frame for the Approved Vendor to pass through the promised REC payment, what timeline should the Program Administrator use as a threshold to determine if there is a high risk that the Approved Vendor will not pass through the promised incentive payment to customers? Would a deadline of 30 or 45 days for the Approved Vendor to pass through a REC incentive payment (measured from the time that the Approved Vendor receives the payment from the utility) be reasonable?

Answer: 30 days should be enough time to determine that the Approved Vendor will not pass through the promised incentive payment to customers

3.What should the standard be for determining if a former-employee whistleblower is making a credible report related to the failure to pass through incentives to customers? Should the

Program Administrator confirm with a certain number of customers that those customers in fact did not receive their promised REC incentive?

Answer: The Program Administrator should determine the credibility of any whistleblower report by confirming at least one customer has not received incentives that they were entitled to receive. The process should also provide a definition of the term "whistleblower".[1]

4.The Agency seeks feedback from stakeholders on whether and/or when an Approved Vendor filing for bankruptcy should activate the possibility of the escrow process being used, and any relevant implications or considerations

Answer: Dissolution and reorganization bankruptcy filings should certainly activate the escrow process. The Agency should consult with business bankruptcy professionals or the court system to determine the relevant implications and considerations.

5.The Agency seeks feedback on the proposal for how the Program Administrator would determine the appropriate amount of payment to each customer whose project is part of the escrow process. Are there any situations or considerations that the proposal does not address? Is the proposal fair to both customers and Approved Vendors/Designees?

<u>Proposal:</u> The Agency expects that determining the exact amount of money promised to the customer may, in some situations, be difficult, and that the Approved Vendor and customer may disagree on the appropriate amount. The Agency intends that the Program Administrator will consider all information available to it before arriving at a determination of the amount that should be paid to the customer. If the customer's Disclosure Form was generated on or after June 1, 2023, it will include a field indicating the amount of the pass-through payment to the customer. For these customers, the Agency proposes that there will be a rebuttable presumption that the amount disclosed on the Disclosure Form is the amount that the customer should receive. This presumption may be rebutted by information presented by the Approved Vendor (or Designee) or the customer. If the Disclosure Form was generated prior to June 1, 2023, it will not include a field for the REC payment pass-through and the Program Administrator will rely on other documentation. The Program Administrator may request from the Approved Vendor any information or documentation related to the pass-through payment amount owed to customers. The Program Administrator may also request information and documentation from customers regarding the amount of pass-through payment that they were promised. The Program Administrator may also request information or documentation from any involved Designees.

In determining the amount of the pass-through payment, the Program Administrator may consider sizing or other changes to the system design that would affect the overall REC payment amount, if relevant based on other documentation of the specific offer. For example,

[1] See Whistleblower Information, Office of Inspector General. https://www.energy.gov/ig/whistleblower-information

the Agency understands that some Approved Vendors promise to pass through a certain percent of the total REC payment amount, and that if project specifications change, this may affect the total REC payment amount and also the amount promised to the customer. The Agency proposes that the Program Administrator will endeavor to make its determination as fair as possible. For example, say a solar project was initially designed at 8 kW AC and the customer's Disclosure Form stated that the pass-through payment would be $6,000, and the customer's contract stated that the pass-through payment would be 75% of the total REC incentive payment. If the Approved Vendor or Designee actually only installed a 5 kW AC system, such that 75% of the total REC incentive would be only $3,500, but the customer was unaware of the change and did not sign a change order or an updated Disclosure Form, the Program Administrator may find that the proper payment to the customer would be the full $6,000 originally promised. If on the other hand, the customer signed a change order and an updated Disclosure Form that disclosed the updated passthrough amount as $3,500, the Program Administrator would find that the payment to the customer should be $3,500. If the Approved Vendor does not submit information or documentation about the amount of the passthrough payment, but the customer does present information that is reasonably substantiated, the Program Administrator may make a determination based solely on the information presented by the customer, and vice versa if only the Approved Vendor submits information.

Answer: We agree with the Agency's proposal, however, we believe the following language changes should be made:

If the Disclosure Form was generated prior to June 1, 2023, it will not include a field for the REC payment pass-through and the Program Administrator will rely on other documentation. The Program Administrator shall ~~may~~ request from the Approved Vendor any information or documentation related to the pass-through payment amount owed to customers. The Program Administrator shall ~~may~~ also request information and documentation from customers regarding the amount of pass-through payment that they were promised. The Program Administrator shall ~~may~~ also request information or documentation from any involved Designees.

We also suggest that the Agency give the customer an opportunity to dispute the "as fair as possible" determination of REC amount by an independent decision maker.

6.How long should the Program Administrator wait—while attempting to obtain information about the promised pass-through payment, or while attempting to get necessary payment information from the customer—before directing the escrow agent to disburse the entire incentive payment to the Approved Vendor?

Answer: Forty-five days seem reasonable given the customer's knowledge of the failure to receive promised REC payments from the AV.

7.What is the best method for the escrow agent to make payments to customers and Approved Vendors? What considerations are important to assess for different payment approaches?

Answer: Payment by check seems reasonable and safe.

ii. Stranded Customer REC Adder

1.Are the proposed REC adder values adequate to incentivize Approved Vendors and Designees to assist stranded customers in each of the categories listed in Tables 1 and 2 of Attachment A? If you believe the REC adder values should be higher or lower, please provide an explanation and any supporting data.

Answer: We believe there should be no REC adder where a customer is stranded prior to installation and prior to the beginning of the original AV's Part I application process. In this situation, AVs have little to no customer acquisition costs and no additional burden relative to other new customers.

2. Are there additional categories that should be added to the Tables in Attachment A (either to cover additional types of customers or to split an existing category into multiple categories with different REC adder values)?

Answer: Unfortunately, our groups do not have the capacity to fully review this table and all of its implications in the time provided. We do believe that what would really be helpful to stranded customers is that the REC adder be paid in an up-front lump sum so they can have an installer do the work to secure the rest of the REC contract.

3. Is the proposed approach of having different REC adders for Illinois Shines and ILSFA appropriate?

Answer: Yes.

4. Should the REC adder values proposed herein be amended to differ based on the type of utility customer or sub-program/program category?

Answer: Yes, they should be adjusted to reflect differences in utility REC prices as these differences are in part based on different development costs.

III. Restitution

Approach: The amount of the restitution payment would be limited to actual economic damages. The amount of actual damages would be discounted if a customer did not take reasonable actions to limit the harm. Restitution payments would be capped at $30,000 per project. Other state consumer restitution funds have a similar cap. For example, California's Solar Energy System Restitution Program caps individual claims at $40,0007 and the Virginia Contractor Transaction Recovery Fund caps individual claims at $20,000.8 The Agency will also have a cap of $200,000 for restitution payments based on a single Approved Vendor's or Designee's conduct. This is also a common element of restitution programs.9 The Agency has not yet determined whether the cap per Approved Vendor or Designee will be on a "first come, first served" basis or whether there would be a pro rata distribution amongst claims filed within a certain time period

1.Is the above a reasonable and fair approach to prioritizing customer claims when program caps are implicated? Or should claims be paid out on a first-come, first-served basis?

Answer: We support the approach of using prorated partial payments to ensure benefits are spread wide and that each harmed customer is able to recover some cost, with some exceptions, noted below. The customers who do not receive full restitution should not be prohibited from filing legal claims against the Approved Vendor for the damages not recovered via this program.

We do have concern regarding the contractor caps and recommend the use of an annual restitution budget. While we understand that the cap has been suggested in an effort to cast a wider net of benefits and with a concern of running out of funding, it is not clear how the amount of these caps has been set, but for the stated examples of California and Virginia with no discussion on how those states' programs and costs compare to Illinois'. The Agency seems to have just chosen the average of the two state's caps for Illinois. Clarity in this regard would be helpful.

Also, the suggested approach may unnecessarily prevent full customer restitution. Perhaps at the end of year one, should annual restitution funding not be exhausted, any customer who did not receive full restitution due to an AV cap could be made whole with the remaining funds in that year's budget, or provided additional restitution based on a pro rata share of remaining annual funds. Annual budgets should be adjusted over time based on restitution claim data collected by the Agency.

2. Are the proposed waiting periods appropriate? Should these waiting periods be shorter or longer?

Answer: It is difficult to answer this question without a better understanding of how notice will be provided to the customers of AVs under investigation. The Agency should specify what actions will be taken to notify potentially harmed customers. Also, please keep in mind that some customers will not know or remember who their AV is. Special consideration should be given to this fact in the customer communication.

3. How long should the Program Administrator wait for required information from a nonresponsive customer before closing out their restitution claim and moving forward with funding later-filed claims?

Answer: We suggest the Program Administrator develop an outreach protocol when communicating with harmed customers who have filed restitution claims. We believe at least 30 days should be given for a customer to respond and that the Program Administrator should make at least four attempts to contact the customer during that 30 day period.Customers should also be informed when this thirty day period will begin to run when the first contact with the Program Administrator is made.

4. If the Program Administrator receives Restitution Program claims submitted after an Approved Vendor cap is reached, should the Program Administrator fully investigate the claim at that time, even though there would not be available funding to pay out the claim? Or should the Program Administrator wait to investigate the claim until additional funding is available (with the drawback of it potentially being more difficult to investigate the claim due to the passage of time)?

Answer: The Program Administrator should fully investigate the claim at the time the claim is submitted, even if the Approved Vendor cap has been reached. Evidence is more likely to be available and reliable at that time.

5. Is the above proposed approach to deadlines fair and appropriate? (limit on claims)

Answer: We agree with a two year limit on claims.

6. How long should customers have to file a restitution claim after their complaint is closed as unresolved (or, for customers harmed prior to the establishment of the Restitution Program, after notice of the availability of the Restitution Program)?

Answer: If the customer's complaint was closed as unresolved, prior to the establishment of the restitution fund, they should have two years to file a restitution complaint, as it may take a longer time for the customer to become aware of the program. If a customer's complaint is closed as unresolved once the program has already been established, they should have six months to file a restitution claim. There should also be an outreach protocol in place to ensure the harmed customer is fully aware of the restitution program and informed on the steps that need to be taken to file a restitution claim.

7. Are these appropriate limitations on eligibility for the Restitution Program?

Answer: We agree with the limitations on eligibility for the Restitution Program.

8. Is the above proposal for reviewing and making recommendations related to claims appropriate? Is the proposal for processing and making payments sensible and feasible?

Answer: The above proposal seems reasonable and we agree with giving the harmed customer a chance to appeal the Agency's decision. There is concern around the potential for the restitution amount to be reduced based on if the customer failed to take reasonable actions to limit harm. Please define or give examples of what would constitute "reasonable actions to limit damages" on the part of the customer claiming restitution.

9. Should an independent third-party entity be used to process and send payments to individual customers?

Answer: Yes, using the same third-party agent as used for the escrow process makes sense.

10. Are there alternative methods for processing and making payments that the Agency should consider?

Answer: Payment by check seems reasonable.

Additional Comments*:*

Reasonable Actions to Limit Harm

The Solar Restitution Program Proposal states, "Upon the submission of a restitution claim, the Program Administrator would investigate the claim and make an initial determination regarding customer eligibility and, if eligible, the amount of payment, as well as whether the customer failed to take reasonable actions to limit the harm. This information and any proposed reduction in payment amount would be included in the recommendation submitted to the Agency for a final determination (pg 4)."

What constitutes "reasonable actions to limit the harm" should be clearly specified in any program rules or guidebook, as should examples of failure to take reasonable action to limit harm. Should the Agency make a determination that reasonable actions to limit harm were not taken by a claimant, those failures should be clearly specified in writing.

Phased Approach

The Solar Restitution Program Proposal states, "The Agency intends to use a "phased" approach to implementing the restitution program. In the first phase, the program will only be available for customers who were promised a direct REC payment lump-sum pass-through and did not receive it.

Given the seriousness of customer harm (and its implications for public perception of both programs) we fail to see the wisdom of limiting the Restitution Program in this way, even in these early stages, particularly given the availability of relief via the escrow program. Issues like stranded deposits seem potentially more reliant on the restitution fund as there are no other processes in place (short of a lawsuit) to recover that money. While we recognize that setting this up will not be easy, we are in PY 7 for IL Solar for All, making it due time to get started on providing more expansive restitution.

Delays in Processing of Restitution Complaints.

As noted in the proposal, "The Agency acknowledges that it is possible that delays in processing a customer's complaint could potentially contribute to a customer not submitting a restitution claim in time to receive a payment, in the case of an Approved Vendor cap being reached, since the customer cannot submit a restitution claim until their complaint has been closed as resolved. The Program Administrator will make reasonable efforts to process all customer complaints in a timely fashion, to the extent doing so is within the Program Administrator's control, but cannot make any guarantees about the time for processing a complaint."

The Program Administrator should extend the deadline for filing claims for restitution where delay in complaint processing is not caused by any fault of the customer. .

From: Martin Engel
To: IPA.Solar
Subject: [External] Martin Engel Stakeholder feedback on CP initiatives- Escrow
Date: Monday, October 7, 2024 3:59:55 PM

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1. The minimum number of infractions should be 3. Three strikes and you're out.

2. 30 days

3. That is a tricky question. Must ensure legitimacy or the reputation is slandered forever.

4. IMMEDIATELY

5.Audited statement verifying the payment is due.

6. 30 Days

7. Wire Transfer

From: Martin Engel
To: IPA.Solar
Subject: [External] Martin Engel- Stakeholder feedback for REC price adder
Date: Monday, October 7, 2024 4:20:00 PM

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1. Higher - to incentivize an AV for assuming the risk of a stalled project.

2. Not that I can think of.

3. YES

4. Absolutely

5. CAPS on rec adders. Its cleaner.

6. Higher for Illinois Shines because of the nature of the program and helps reentering citizens.

7. N/A

8. Yes

9. Must select from low, med high or very high.

10. Absolutely

11. No thoughts but taxes should always be considered.

12. No. It slows down the cash flow of the AV and creates another layer of regulation.

CONSUMER PROTECTION COMMENTS ON BEHALF OF THE SOLAR ENERGY INDUSTRIES ASSOCIATION, THE COALITION FOR COMMUNITY SOLAR ACCESS, AND THE ILLINOIS SOLAR ENERGY ASSOCIATION

The Solar Energy Industries Association, the Coalition for Community Solar Access, and the Illinois Solar Energy Association (collectively the "Joint Solar Parties" or "JSP") appreciate the opportunity to respond to the Illinois Power Agency's questions regarding stranded customer and escrow processes initially proposed and approved in the Long-Term Renewable Energy Resources Procurement Plan approved on February 20, 2024 and issued as a final document on April 19, 2024. The Joint Solar Parties respond below to selected questions (including providing a few comments that do not directly address any specific questions.

I. STRANDED CUSTOMERS

Questions:

1. Is the above a reasonable and fair approach to prioritizing customer claims when program caps are implicated? Or should claims be paid out on a first-come, first-served basis?

JSP RESPONSE: The Joint Solar Parties recommend that the IPA pay out claims on a *pro rata* basis at the end of the year (calendar year or delivery year). A *pro rata* approach that pays out at the end of the year ensures there is not a race to claim when the per-Approved Vendor maximum is threatened. A year-end *pro rata* approach ensures that all with a valid claim receive some restitution rather than some receiving their entire claim and others getting none. While the Joint Solar Parties acknowledge that this means some customers will have to wait for their payment, the Joint Solar Parties further note that setting all customers on equal footing during the year eliminates the incentive to claim restitution faster before attempting to exhaust options with the Approved Vendor.

2. Are the proposed waiting periods appropriate? Should these waiting periods be shorter or longer?

JSP RESPONSE: Please see above—the Joint Solar Parties recommend payouts on an annual (delivery or calendar year) basis rather than based on an initial triggering complaint.

3. How long should the Program Administrator wait for required information from a nonresponsive customer before closing out their restitution claim and moving forward with funding later-filed claims?

JSP RESPONSE: The Joint Solar Parties believe 30 days is appropriate, especially given the lower burden of the restitution fund as opposed to seeking redress in the court system.

4. If the Program Administrator receives Restitution Program claims submitted after an Approved Vendor cap is reached, should the Program Administrator fully investigate the claim at that time, even though there would not be available funding to pay out the claim? Or should the Program Administrator wait to investigate the claim until additional funding is available (with the drawback of it potentially being more difficult to investigate the claim due to the passage of time)?

JSP RESPONSE: The Joint Solar Parties urge the Program Administrator to investigate all claims. At minimum, fully investigating claims is important for data collection and potential Approved Vendor/Designee discipline (including implementing escrow, increasing the obligations in a performance improvement plan, or increasing the reentry requirements). The Joint Solar Parties fear that not investigating complaints will discourage impacted customers. In addition, while funds may not be available immediately, circumstances could change either due to factual considerations (for instance the restitution limit ends up not being exhausted) or structural considerations (for instance, if during the LTRRPP approval process the Commission increases or removes the per-AV/Designee restitution payment cap or changes it to an annual cap).

5. Is the above proposed approach to deadlines fair and appropriate?

6. How long should customers have to file a restitution claim after their complaint is closed as unresolved (or, for customers harmed prior to the establishment of the Restitution Program, after notice of the availability of the Restitution Program)?

7. Are these appropriate limitations on eligibility for the Restitution Program?

JSP RESPONSE: The Joint Solar Parties wish to share their experience in other states as potentially instructive for Illinois. In general, each state with a contractor recovery fund (similar to the Restitution Fund) has a law that allows or directs the state's contractors licensing board (or equivalent agency) to establish and manage a recovery fund for all contractors, not just solar contractors, operating in the state. Monies for the funds typically come from license and registration fee surcharges, and the fee surcharge can depend on a contractor's size. Eligible customers must have an agreement with a licensed contractor, won a binding final judgment, and exhausted reasonable steps to collect on the judgment. Then, a customer may file a claim with the state contractors licensing board, which checks that the customer meets all the requirements. Recovery fund laws tend to cap disbursements per claimant and the aggregate disbursements against a single contractor. If the total amount of the awards against a contractor exceeds the cap, the agency distributes awards on a pro rata basis.

While the Joint Solar Parties recognize the difference in origin (regulatory approval vs. statutory obligation; funding sources; etc.) the Joint Solar Parties note that the to-be-implemented Restitution Fund can draw inspiration from the limitations and responsibilities within the programs to pick the best balance for Illinois.

8. Are there other limitations on eligibility that the Agency should consider?

JSP RESPONSE:

- **Outside of Illinois, California is unique in that allows customers to file a claim without a judgment. To the Joint Solar Parties' knowledge, every other equivalent state program requires a binding judgment to have been entered against the contractor in order to apply to the restitution fund.**

- **If Illinois—like California—does not require a judgment from a court and instead only requires a Program Administrator determination, then lower the**

award cap to something closer to $15,000 to reflect the relative ease and simplicity, lower cost, and lower burden of proof/persuasion in the Program Administrator process.

- **However, nothing would prohibit—and the Joint Solar Parties encourage—the Program Administrator from offering a higher cap (perhaps double or more) for a complaining customer with a binding judgment from the court system to recognize factors including the additional customer cost and higher degree of effort.**

- **Agree with the $200,000 cap per AV to start off.**

9. Is the above proposal for reviewing and making recommendations related to claims appropriate? Is the proposal for processing and making payments sensible and feasible?

10. Should an independent third-party entity be used to process and send payments to individual customers?

11. Are there alternative methods for processing and making payments that the Agency should consider?

ADDITIONAL JSP RESPONSES NOT DIRECTLY RESPONSIVE TO NUMBERED QUESTIONS:

- **Upon the first complaint to the Program Administrator against an AV or Designee, the IPA/Program Administrator should consider whether the alleged behavior is likely to be a one-off issue or a flaw in the approach of the Approved Vendor or their Designees.**

- **If the behavior is likely to be one-off, then a first come/first served is more fair but if the harm is based on a structural issue then the limit will likely be hit before claims are exhausted.**

- **If the behavior is structural, the AV and/or the associated Designee should be investigated for possible suspension.**

- **The IPA should ensure that replacement AVs are provided sufficient protections from liability of previous AVs or Designees. Specifically, the IPA should permit (and in fact encourage):**

    - **Replacement Approved Vendors to enter into new contracts with the customer, at minimum for Approved Vendor services;**

    - **Additional delays under the REC Contract (including delivery deadlines for a period after the transfer to the replacement Approved Vendor) to address potential delays from AHJ approval of reinstallation or major repairs;**

- **The IPA should evaluate the stranded customer program and include as part of that evaluation the barriers and risks faced by potential and actual replacement Approved Vendors.**

II. STRANDED CUSTOMER REC ADDER

Questions:

1. Are the proposed REC adder values adequate to incentivize Approved Vendors and Designees to assist stranded customers in each of the categories listed in Tables 1 and 2 of Attachment A? If you believe the REC adder values should be higher or lower, please provide an explanation and any supporting data.

JSP RESPONSE: The IPA should first clarify that the "REC Adder" is paid to the new Approved Vendor whether or not REC payments have been exhausted. In many cases for REC Contracts with accelerated payments, a REC Contract could be fully paid out prior to the original AV leaving the market. This may require alterations to the REC Contract to reflect the potential lump sum (rather than per-REC to be paid) nature of the payment.

Of note, stranded customers tend to demand significantly higher processing times for ABP milestones and present higher risk to the Approved Vendor for full, timely delivery of estimated REC quantities. For accelerated payment contracts, the underdelivery risk translates into substantial clawback dollars. Not only does the original workmanship impact delivery quantities, but customers frequently will delay engaging a replacement installer or an installer to perform critical maintenance, leading to underdelivery in the interim and/or downtime to reinstall or perform major maintenance.

For these reasons and other reasons related to customer management—especially where the substitute Approved Vendor is not itself fixing the installation or performing maintenance and especially for accelerated payment contracts—the current proposed REC values are not likely to be sufficient to incentivize a substitute Approved Vendor in many (if not most or virtually all) cases. Because of that disconnect, the Joint Solar Parties fear that few substitute Approved Vendors will participate or if they do only certain lower-risk customers will find a willing alternative Approved Vendor. According to feedback received by the Joint Solar Parties, REC adders should be at least $6/REC for low risk, $9/REC for medium risk, and high/very high should have an adder of at least $16/REC.

2. Are there additional categories that should be added to the Tables in Attachment A (either to cover additional types of customers or to split an existing category into multiple categories with different REC adder values)?

3. Is the proposed approach of having different REC adders for Illinois Shines and ILSFA appropriate?

4. Should the REC adder values proposed herein be amended to differ based on the type of utility customer or sub-program/program category?

JSP RESPONSE: Yes. Under, for instance, the 15-year REC Contract, there is direct liability for underdelivery—which is especially problematic if a fair amount of the REC

Contract has already been paid to a previous Approved Vendor and that value will not be realized by the new Approved Vendor. On the other hand, under the 20-year contract, there is no liability for underdelivery other than lost payments during that specific delivery year.

In addition, the IPA should determine a policy for assumption of REC Contracts where the original Approved Vendor was an EEC and the project was applied to the EEC Block—specifically, must the new Approved Vendor be an EEC in that case (assuming the six-year window where Seller must be an EEC).

Third, with regard to underdelivery, the IPA should consider additional protections for underdelivery under the REC Contract for the new Approved Vendor. Otherwise, the new Approved Vendor will be forced to diligence the system fairly extensively relative to the REC Contract even if no REC payments have been made (but especially if payments have started) because of the liability for under delivery under accelerated payment REC Contracts.

Fourth, the eligibility for an adder (or the size of the adder) should depend on the state of payments to date and the performance of the system (including the ability of the new Approved Vendor to diligence the system)—including a review of customer obligations the new Approved Vendor would be taking on. A new Approved Vendor that is to receive all REC payments would take on far less risk than an Approved Vendor that is contractually required to pass through all REC payments to the customer.

Fifth, taking on stranded customers should always be voluntary for an Approved Vendor. That means that not all stranded customers may be taken on at a scheduled or standardized pricing. If the IPA is unable to secure an Approved Vendor willing to take on a stranded customer at the proposed REC adder (or other payment) level, then the IPA should in that case consider asking Approved Vendors participating in the program to propose why a higher price is necessary. If the higher price is rejected, either an Approved Vendor will step forward at a reduced price or it will not.

5. Which approach should be used for REC adder values for larger projects (100kW and above)?

JSP RESPONSE: The Joint Solar Parties recommend a simpler approach for predictability and ease of administration. However, the Joint Solar Parties do not necessarily agree with the caps, noting that the risk particularly for accelerated payment contracts where RECs have already been delivered remains substantial and for certain systems the risk of underdelivery may exceed the upside of taking on stranded customers.

6. If the first approach described above is used for larger projects, are the proposed caps appropriate? Should the caps be the same for Illinois Shines and ILSFA?

7. If the second approach described above is used for larger projects, how should the REC adder values be set?

8. Is the above approach an appropriate standard or burden of proof that should be required for an exception to the normal REC adder requirements?

9. If an Approved Vendor submits a request for a REC adder (or higher REC adder), what REC adder values should be possible? Should the Approved Vendor have to select from one of the values set for the standard low, medium, high, or very high REC adders? Or should the Approved Vendor be able to request a custom REC adder value?

JSP RESPONSE: Approved Vendors should be permitted to seek custom or otherwise higher REC prices in the case of particularly risky customers. An example is a customer whose system needs repair and that is a credit risk. Otherwise, replacement Approved Vendor interest in very risky customers will almost wholly depend on the top REC adder allowed (taking into account any payment cap).

10. How should the REC adder be applied if a customer is stranded by both their Approved Vendor and also by an installer Designee? Should the higher applicable REC adder apply? Should both potentially applicable REC adders be awarded? Should the customer be automatically eligible for the highest possible REC adder value?

JSP RESPONSE: The current categories appear to address the issues raised in this question but the maximum/expected REC values as proposed do not necessarily reflect this complexity.

11. How should the REC adder be reflected in invoicing, in different situations (e.g., invoicing has not started yet, invoicing has started but not finished, invoicing has finished).

JSP RESPONSE: Like all other invoicing, it should be reflected on the invoice and quarterly netting statement generated by the Program Administrator. For RECs that have already been paid, the REC Contract should be amended to reflect a lump sum payment for those RECs after the assignment. Note that this would likely require an amendment of existing contracts as well. For RECs that have not been paid, the adder should be applied on a going forward basis.

12. When a stranded customer REC adder is applied, should the REC Contract go back to the Illinois Commerce Commission for re-approval?

JSP RESPONSE: Yes if any of the terms and conditions of the REC Contract are going to change or the REC Contract was terminated due to bankruptcy which—as FAQs on the Illinois Shines website confirm—is an Event of Default under the REC Contract. The REC Contract may be terminated on its own terms and thus need to be re-created. However, the IPA should also be mindful of concerns about fraudulent transfers of assets nominally owned by an entity in a bankruptcy proceeding from these steps.

Generally speaking, these issues can be avoided by properly drafting the stranded customer procedure into the REC Contract (or at least adequate reference) so that the REC Contract itself does not need modification or re-affirmation by the Commission. Waiting for Commission approval would substantially delay the process, harming both the customer and the replacement approved vendor.

The Joint Solar Parties assume that no additional collateral will need to be posted by the replacement Approved Vendor for contracts that are not paid on an accelerated basis and only for REC Contracts paid on an accelerated basis where the collateral was not returned

to the original Approved Vendor unused (such as cancellation of a letter of credit prior to any draw). To the extent that additional or different collateral must be posted by the replacement approved vendor, there must be a known timeframe (and the REC Contract must reflect that timeframe).

III. ESCROW

Questions:

1. What should the minimum threshold be for the number of reports/complaints to potentially lead to the implementation of the escrow process? The Agency is considering a set number of reports/complaints (such as 2 or 5 credible reports within a 45-day period) or a percentage approach (such as 1% of the number of projects included in invoices for the Approved Vendor over the past three months). The Agency is attempting to balance consumer protection risks, which would weigh in favor of a low threshold, against the uncertainty and potential financial risk to Approved Vendors, which would weigh in favor of a higher threshold. Another option could be to use a combination of absolute numbers and percentages, such as "the greater of X reports or Y%."

JSP RESPONSE: If the Program Administrator is going to use a set number of complaints or a percentage-based limit to trigger the escrow, the complaints should be founded (and not satisfactorily resolved) and the Approved Vendor should otherwise be subject to discipline. Basing escrow on complaint volume alone without investigation and determination of complaints (specific to not passing through payments) is not appropriate.

Furthermore, if the Approved Vendor presents credible evidence of payment to a customer, the escrow payment should not be made even if the customer claims that the payment was not received.

2. If the contract between the customer and the Approved Vendor does not specify a deadline or time frame for the Approved Vendor to pass through the promised REC payment, what timeline should the Program Administrator use as a threshold to determine if there is a high risk that the Approved Vendor will not pass through the promised incentive payment to customers? Would a deadline of 30 or 45 days for the Approved Vendor to pass through a REC incentive payment (measured from the time that the Approved Vendor receives the payment from the utility) be reasonable?

JSP RESPONSE: If non-payment of passed through payments after 45-60 days (or whatever the timeframe) is grounds for escrow, that timeframe should be a program requirement. That change should be implemented in at minimum the Consumer Protection Handbook as soon as practicable.

I**n addition, the Consumer Protection Handbook should make clear the standard for evaluating whether an Approved Vendor presents a risk for non-payment. Legitimate reasons for non-payment may exist, such as customer default, loss of customer creditworthiness triggering a smaller payment to the customer, or a customer dispute, including with regard to customer maintenance of their system (where improper**

maintenance can lead to underdelivery and put the Approved Vendor at risk for a clawback)

3. What should the standard be for determining if a former-employee whistleblower is making a credible report related to the failure to pass through incentives to customers? Should the Program Administrator confirm with a certain number of customers that those customers in fact did not receive their promised REC incentive?

4. The Agency seeks feedback from stakeholders on whether and/or when an Approved Vendor filing for bankruptcy should activate the possibility of the escrow process being used, and any relevant implications or considerations.

JSP RESPONSE: In a bankruptcy situation, there may be fraudulent transfer or other bankruptcy code issues with a forced escrow after bankruptcy has been declared or imposed. The escrow should at minimum be worked into the REC Contract so it is not extra-contractual and the IPA should consult with bankruptcy specialists to determine how (if at all) imposing an escrow is possible after a bankruptcy proceeding has been initiated.

5. The Agency seeks feedback on the above proposal for how the Program Administrator would determine the appropriate amount of payment to each customer whose project is part of the escrow process. Are there any situations or considerations that the above proposal does not address? Is the proposal fair to both customers and Approved Vendors/Designees?

6. How long should the Program Administrator wait—while attempting to obtain information about the promised pass-through payment, or while attempting to get necessary payment information from the customer—before directing the escrow agent to disburse the entire incentive payment to the Approved Vendor?

JSP RESPONSE: In order to avoid duplicate payments or inadvertent escrow when not necessary, the Program Administrator should not start the payment clock based on the time of the complaint but instead based on the time of resolution of the complaint by the Program Administrator. This reduces the potential for serious errors. The payment clock should be at least fifteen days after notice is provided to all parties of the payment.

7. What is the best method for the escrow agent to make payments to customers and Approved Vendors? What considerations are important to assess for different payment approaches?

From:	Caitleen Dagatan
To:	IPA.Solar
Subject:	[External] [SUSPECTED SPAM] Proliance – Stakeholder Feedback on CP Initiatives
Date:	Monday, October 7, 2024 4:43:18 PM

Hello Illinois Power Agency,

I hope this message finds you well. My name is Caitleen, and I serve as the Solar Pipeline Manager at Proliance. I am writing to provide feedback on the proposed escrow process as outlined in your request for stakeholder feedback regarding Approved Vendors that fail to pass through promised incentive payments.

After reviewing the details of the restitution program, I would like to share the following suggestions for your consideration:

Escrow Process Activation: While the criteria for triggering the escrow process seem reasonable, I suggest setting the threshold for reports/complaints at a balance that protects customers but does not overly penalize vendors for minor or isolated incidents. A combination of absolute reports (e.g., 3 credible complaints) and a percentage-based approach (e.g., 1% of projects) might strike a fair balance.
Program Timeline: While the current two-year claim period offers flexibility, I believe that shortening this timeline may better serve customers. A more condensed claim window could encourage quicker resolution of disputes and ensure that customers remain engaged in the process while the issues are still top of mind. In my experience, extended timelines sometimes lead to delays in addressing critical matters, potentially diminishing customer satisfaction and confidence in the program.

Vendor Assistance and Support: As the solar industry continues to grow, newer or smaller vendors may occasionally make unintentional mistakes as they navigate complex regulatory requirements. To address this, I would recommend implementing an additional support mechanism specifically for such vendors. Providing early intervention, clear guidance, and step-by-step assistance for these vendors could help them comply with program requirements more effectively. This could reduce the likelihood of customer harm and lower the overall burden on the restitution program itself. Additionally, such a support system would foster a culture of learning and continuous improvement within the solar market, especially for those vendors genuinely committed to customer satisfaction.

Additionally, since the document mentions funding from forfeited collateral, it could be helpful to look into other ways to strengthen this fund in the future. As the solar industry grows and more customers join, having enough financial support for the restitution program will be important.

Thank you for the opportunity to provide feedback. I appreciate the Agency's commitment to protecting customers and improving the integrity of solar programs across Illinois. Please do not hesitate to reach out if you would like to discuss these points in greater detail or if I can be of further assistance.

Warm regards,

Caitleen Anne Dagatan

Solar Pipeline Manager, Proliance General Contractors, Inc.

[redacted]

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