Solar Bill of Rights

HB 3779/SB 2473 - Clean and Reliable Grid Act
HB 3322 (standalone)

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Bill Objective:

The 2021 Climate and Equitable Jobs Act (CEJA) establishes the **“Right to Self-Generate”**. The law requires rural electric cooperatives (co-ops) and municipal-run utilities (munis) to implement policies that allow residential and small commercial customers to interconnect their on-site generating systems to the grid, and to fairly compensate these customers for the electricity they export to the grid. After continued impediments to accessing solar, the **Solar Bill of Rights** reinforces CEJA’s requirements and provides consistency, stability, and consumer protections for the roughly 1,000,000 Illinoisans dependent upon co-ops and munis for electrical service. The bill brings co-op and muni customers closer to the benefits that customers of investor-owned utilities (IOUs) receive under Illinois law.

Topic 1: Access to Solar

Residents of incorporated and unincorporated areas throughout the State should not be prevented by local regulations from reducing their energy bills. All Illinoisians should have equal opportunity to install solar energy systems and low-voltage solar powered devices.

Why is this important? Some jurisdictions have rules that prohibit solar energy devices. The SBOR allows consumers to install solar as well as low-voltage devices powered by a small solar panel (i.e. ring doorbell).

Topic 2: Insurance Requirements

Munis and co-ops may not require a customer to add the muni or co-op as an additional insured on the customer's policy or require solar customers to obtain additional insurance but may require the installing contractor to possess $1,000,000 of Commercial General Liability insurance coverage.

Why is this important? Many insurance companies will not list other entities as an additional insured, so such a requirement restricts customers' ability to install solar. Separately, requirements for additional insurance often require additional costly insurance policies that negate the savings from solar. Munis and co-ops are still protected by allowing them to require installers to carry liability insurance.

Topic 3: Annual Reconciliation Period/ Overproduction Bill Crediting

Customers should receive a fair and reasonable credit for the excess electricity they generate from their solar panels and be offered a clear timeline for crediting and reconciliation. Long-standing federal law requires that credit to be based on the utility's cost. Because many co-ops and munis refuse to disclose their cost for electricity, a reasonable proxy for that cost is the average "price to compare" for the relevant regional transmission organization area. This price reflects the electric supply and transmission charges and is published by the Illinois Commerce Commission. Credits must be calculated monthly. Any unused credits are carried over and applied to subsequent bills until the end of the annual period each March.

Why is this important? With the lack of transparency into muni and co-op costs this serves as a consumer protection to ensure the citizens of Illinois receive a fair value for the excess production that they paid to produce that is tied to market pricing and published monthly. With 26 different co-ops and 32 munis across the state, all with the ability to set individualized rates, this also creates consistency and helps developers create better models for customers.

Topic 4: Legacy Systems

Allow legacy systems for a minimum of 25 years after the date of interconnection. Tier I solar modules typically carry a 25-year warranty, and financial modeling is typically conducted based on a 25-year outlook. As a point of reference, investor-owned utilities offer a legacy period of 30+ years from the time of energization.

Why is this important? Investments in solar, like many investments, are made not to just pay for themselves or stay static, but rather to create a return on investment. Changing policies that affect long-term financial performance frustrate customer expectations. Without this change, muni and co-op customers have less protection than IOU customers, effectively rendering them 2nd class customers.

Policy Change Example: NO Legacy Provision

WIANT/TREACY- 25-year cost models	Retail	Monthly	Real Time
System Size (kW)	3.45 DC/3 AC	3.45 DC/3 AC	3.45 DC/3 AC
Offset %	87.89%	87.89%	87.89%
Years to Cost Recovery	6.6 years	14.7 years	>25 years
1st year utility savings	$579 (old rate)	$366 (new rate)*	$108 (new rate)*
Cash gained over the life of the system	$12,680	$5,744	-$2,630

Exported kWh profit to cooperative (3.32 cents paid to you, 13.9 cents retail rate = 10.58 cent/kWh profit for all exported energy) = $317.51 estimate per year.

*The utility rate originally modeled at the time the customer purchased their system has increased from 12.4 cents per kWh to 13.9 cents per kWh for the first 1,500 kWhs used. The facility charge has increased from $37/month to $49/month. See the table below for details:

Customer Charges					Energy Charges				
Season	Charge Type	Rate Type	10	10	Season	Charge Type	Rate Type	10	10
S1	Flat Rate	per billing period	$37.00	$49.00	S1	T < 1,500 kw	Import	$0.124	$0.139
					S1	1,500 kw < T	Import	$0.099	$0.127

Topic 5: Third Party Ownership (Power Purchase Agreements/Leases)

Allow customers to lease solar panels or enter into power purchase agreements with a third party to enable lower income customers who may not be able to afford solar panels to reduce their energy burden through solar, just as customers of public utilities are allowed to do today.

Why is this important? Leases and/or PPAs are structures that are used to finance Solar For All developments. Absence of the ability to utilize these structures serves as a barrier for low-income customers.

Topic 6: System Sizing Limits

Allow residential and small non-residential systems to be sized up to 25kW AC for net billing in alignment with treatment of customers of public utilities and the Small Distributed Generation category of the Illinois Shines Adjustable Block Program in CEJA.

Why is this important? Many cooperatives have limited system size in the past to 10kW, which in many cases does not even meet the needs of a residential consumer let alone a small business or an ag producer.

Topic 7: Excessive Meter and Study Fees

Costs associated with interconnecting a customer's renewable energy system to the grid should be reasonable and transparent. Limits should be placed on the fees that utilities can charge for smaller systems, which is particularly beneficial for residential solar customers. Such systems also often benefit the grid by reducing load. For renewable generating facilities with a capacity of 25 kW AC or less, application fees are capped at $500, which includes any engineering study. A 15-business-day approval timeline is also included.

Why is this important? Interconnection application fees vary from $400 to $650 across muni and co-op territories. In addition to that, many rural electric cooperatives charge engineering study fees for systems over 10kW that range from $600 to $1,500. Properly maintained utility systems should not require engineering studies for small systems as such costs serve as barriers to solar. Small customers of IOUs are not subject to engineering studies and are protected from such high fees ($50 for the application fee- NO engineering study fees for systems 25kW AC and less). The timely processing of complete applications is necessary to ensure projects are completed within the scheduled timeframes and able to apply for state and federal incentive programs.

Topic 9: Excessive Interconnection Upgrade Fees

Access to solar should be fair and equitable without imposing grid upgrade costs exceeding $500 for systems 25kW AC or less. If an engineering study reveals that new utility equipment is required to accommodate interconnection of a renewable generating facility (25 kW AC or less), the utility charge is capped at $500 or the actual cost of the equipment, whichever is less.

Why is this important? The lack of transparency in muni and co-op planning could mean they are using solar customers to upgrade the grid to accommodate the energy transition. Fees up to $2,000 for small systems are not fair or equitable and can kill a customer's project.

Topic 8: : Consumer Protections / ICC Dispute Resolution

A disagreement between two parties should not be judged by one of the parties. To ensure that the right to self-generate and store electricity is implemented fairly, customers must be able to seek resolution from a knowledgeable and independent decision-maker. The Illinois Commerce Commission already plays this role for customers of public utilities, and can easily do so for customers of co-ops and munis.

Why is this important? Expecting a person to sue the utility over minor disputes is absurd and prohibitively expensive. Furthermore, trial judges aren't likely to have an understanding of electrical engineering and rate issues, but the ICC already serves as an unbiased, capable arbiter. The ICC is an appropriate, knowledgeable, neutral venue.

Q&A TIME!

Thank you for your time and consideration of sponsorship of the Clean and Reliable Grid Act!

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