

SHINE DEVELOPMENT PARTNERS FOLLOW-UP COMMENTS TO ABP BLOCK 1 DRAFT LOTTERY GUIDELINES

Shine Development Partners (“Shine”) would like to provide the IPA and its Adjustable Block Program Administrator with the following comments pursuant to their Request for Follow-Up Comments on the Block 1 Draft Lottery Guidelines, issued October 5, 2018. Shine is a national solar project developer operating since 2012 that has developed and commissioned over 50 projects in the Midwest, including over 20 MW constructed or under development in Illinois currently.

Introduction:

Having developed projects in markets throughout the United States, Shine appreciates the thought and effort that Illinois, the ICC, the IPA, and the Program Administrator have devoted to the LTRRPP, the previous auction procurements, and the ABP to provide clean energy to the residents of Illinois. As a result, Shine has been an “early adopter” of project development in the Illinois market since the announcement of the LTRRPP and the ABP, not only contracting but actually building projects in the State in reliance on the commitments made by those plans. We know that there are several other developers (and solar EPCs) in the same circumstances.

Our comments below are primarily concerned with ensuring that those developers, financiers, and EPCs that have already built or otherwise heavily invested in solar systems in furtherance of Illinois’ intent, and in good faith reliance on the LTRRPP and the ABP, are not left behind.

REDUCING APPLICATIONS FROM SPECULATIVE PROJECTS:

Many developers like Shine have already made substantial out-of-pocket project investments in reliance on the Adjustable Block Program Lottery, and in furtherance of Illinois’ clearly stated goals. These projects, some of which are already completed, should not be passed over in favor of i) early stage, uncontracted projects which may or may not ever be built, ii) speculative “projects” submitted only to secure SRECs pursuant to the lottery, or iii) projects submitted with the sole purpose of being placeholders to be swapped out later. Based on this, Shine would like to propose the following three items

- **Projects Already Completed and Generating Electricity Should Be Prioritized for Awards Over All Other Projects:**
 - The ultimate purpose the Future Energy Jobs Act is “the adoption and deployment of... photovoltaics” and “investment in renewable energy resources, including, but not limited to, photovoltaic distributed generation.” As such the lottery should reward Projects based on those goals: i) how likely they are to be “deployed”, and ii) to the extent “investment” has been made in them.
 - Projects in various stages of development MAY have had various levels of “investment” made in them, and they MAY eventually be “deployed”, such that they MAY eventually contribute to these goal IF they are built.

- In contrast, Projects which have already been built HAVE ALREADY, with 100% certainty, been “deployed,” and have been subject to full “investment” in support of the Illinois economy.
 - Determining when a Project has been completed can be very easy, with several options for the adoption of a bright line rule. Shine proposes and would support the IPA’s adoption that Projects that have met the federal “placed in service” standard be prioritized in lottery awards, for its ease of administration and the industry’s existing familiarity with the term and its standards.
 - This standard should apply to both CSA and distributed generation (aka behind the meter) projects as the ultimate purpose of the Future Energy Jobs Act, the LRTTPP and the ABP are the same for both, as described above. Shine recognizes that for this Block, this new standard would not likely apply to CSA projects, none of which are yet built.
- **Distributed Generation Projects Completed and Generating Electricity From June 1, 2017 through October 1, 2018 Should Not Be Penalized for Delays in the Implementation of the ABP**
 - Shine appreciates the good work performed to date by the ICC, the IPA and the Program Administrator. However, for a variety of reasons, the implementation of the ABP has taken longer than anticipated. The delays in implementation have resulted in distributed generation projects previously developed and built in good faith now potentially not being funded even though a lottery would not have occurred for Block 1, and the projects would have all been funded under Block 1 of the ABP if the expected implementation timeframes were maintained. For example, our understanding from discussions with Ameren personnel is that in May of 2018, there was a backlog of eligible projects of only 4 MW, and now (in October of 2018), the backlog of interconnection applications that may be eligible for the ABP is now approximately 40 MW, and that backlog is increasing rapidly. At the current pace, the backlog in the Ameren territory will be 70-80 MW by the time the lottery period has closed. Had the ABP been implemented as originally planned, all projects in the Ameren territory built as of today would have been fully funded.
- **Distributed Generation Projects Should be Required to Have Executed Off-taker Agreements to Apply.**
 - Shine supports IPA’s proposal requiring a signed lease or option to demonstrate host acknowledgment as a threshold for application to the ABP (“Site Control Requirement”), for both CSA and distributed generation (aka behind the meter) projects. IPA has correctly identified that a fully binding agreement, executed in good faith, with the Project’s site host is an important and hard-to-fake milestone in the development of a solar project and greatly reduces the chance that such a Project is submitted in bad faith, in order to “game” the lottery, to hold a place for a future swap, or is otherwise speculative in nature.
 - Shine would like to note that for distributed generation Projects, which typically enter into Power Purchase Agreements (PPAs) or similar arrangements with the site host, site control is often included in the PPA and not in a separate lease. Consequently, in order

to meet IPA's proposed Site Control Requirement, such Projects should have to show a fully executed PPA as a threshold to participate in the lottery. Shine strongly supports the IPA's proposed Site Control Requirement for PPAs as well as CSA Projects because it promotes projects that are later in development, have already seen more substantial investment from the developer, and are much more certain to be deployed.

We appreciate the opportunity to provide IPA Lottery stakeholder comments to these specific areas of focus. Please let us know if you have any questions or need additional information.

Sincerely,

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