



# SIERRA CLUB

-ILLINOIS CHAPTER-

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Program Administrator  
Adjustable Block Program  
Illinois Power Agency  
[comments@illinoisabp.com](mailto:comments@illinoisabp.com)

**Re: Comments on the Draft Procedure for the Block 1 Lottery**

Dear Program Administrator:

On behalf of the Illinois Chapter of the Sierra Club and our over 100,000 members and supporters in the State of Illinois, thank you for the opportunity to comment on the Adjustable Block Program's Draft Procedure for the Block 1 Lottery ("Draft Lottery Procedure").

The Illinois Power Agency's Long-Term Renewable Resources Procurement Plan clearly lays out strong requirements for a project to be eligible for the Adjustable Block Program, including that projects must be submitted by approved and registered Approved Vendors only and that each project submitted to the Adjustable Block Program at the time of application must include (1) information about the system's location, size, and technical specifications, (2) proof of site control and/or host acknowledgement, (3) a signed interconnection agreement from the respective utility, (4) evidence of having obtained all non-ministerial permits, such as local zoning and special use permits, and (5) a shading study.

The intent of these requirements is to ensure that only serious, non-speculative projects with legitimate resource investment and financial viability can apply to the Adjustable Block Program and have an opportunity to receive the finite supply of Renewable Energy Credit incentive payments. However, the Sierra Club is concerned this intent may be undermined as a result of the Draft Lottery Procedure's allowance for an Approved Vendor's one-time substitution of one or more of its selected projects in the Block 1 lottery for its (or its Affiliates') one or more non-selected projects – as laid out in the "Reallocating Contracts" section of the Draft Lottery Procedure – along with relaxed utility interconnection deposit requirements and waiver petitions that have been filed with the Illinois Commerce Commission.

The combination of these two policies creates a strong incentive for solar developers to develop projects purely as a means to increase their odds of receiving a selected lottery ticket. Without interconnection construction deposits or without clear recognition of how financially viable a project's development realistically is if it sits further back in the utilities' interconnection feeder queues (which may make interconnection connection costs untenable even if it is selected in the IPA lottery), developers will submit a large number of projects into the Adjustable Block Program lottery simply to increase chances of project selection without genuine intention of ever building such projects. The "Reallocating Contracts" proposal rewards developers who submit speculative, less vetted projects by allowing them to replace some or all of their lottery selected projects with more qualified, construction-ready projects. As a result, non-speculative projects that have invested more resources and have made legitimate commitments to bring benefits to local communities will now be competing for limited lottery selection against less viable projects. This certainly is not the intent or spirit of the Future Energy Jobs Act or of the Adjustable Block Program.

Accordingly, Sierra Club urges that the Illinois Power Agency take a more active role in weighing how best the lottery selection process should work given utilities' interconnection policies and how construction-ready and financially viable a project is given its place in the interconnection feeder queue, which inform how reasonable interconnection costs may be. We recognize that the January 15, 2019 Adjustable Block Program opening date is quickly approaching and that the first block is apt to be an unpredictable, chaotic process. Although Sierra Club does not urge that the block's opening date be delayed and supports getting the program underway, we do urge that the Illinois Power Agency and Adjustable Block Program Administrator convene robust, inclusive stakeholder workshops – especially with utilities and solar developers – to determine what the best process or criteria is for project selection in the Adjustable Block Program, given how interrelated interconnection policies and costs, lottery rules, and solar industry behavior are.

The ultimate goal should be to ensure that fully vetted, financially viable construction-ready projects that result in real, tangible community benefits are given priority in project selection and aren't undermined by more speculative projects that clog the block. If these workshop determinations aren't made before January 15, 2019, they certainly should be made well before the Illinois Power Agency decides how to allocate the remaining 25% of the opening block's capacity that is initially withheld until after completion of subblocks 1 through 3, along with informing how projects will be weighed in future Adjustable Block Program blocks that will be opened to fulfill the remaining REC delivery targets to meet the increasing Renewable Portfolio Standard goals under FEJA. It is critical that the IPA and the Program Administrator – working closely and collaboratively with stakeholders – develop a selection process that either prohibits or disincentivizes nonviable projects from participating in blocks, or puts them in the back of the line, so that legitimate, beneficial projects aren't left behind indefinitely.

Thank you for your consideration of these comments.

Sincerely,



Rebecca Judd  
Clean Energy Advocate  
Sierra Club Illinois