



October 17, 2018

Summit Ridge Energy Follow-Up Comments on the Adjustable Block Program Block 1 Lottery Proposal

General Comments

Summit Ridge appreciates the consideration given by the IPA to the ideas put forth in the first round of comments on the strawman proposal for the block 1 lottery, as well as the quick response time in seeking this follow-up round of comments. Our comments are outlined below under the corresponding subject headings from the IPA's Request for Follow-Up Comments.

As a general comment related to multiple concepts and proposals below, we would like point out that the notion of a viable project is very hard to rely on at this point in time, since the information upon which this assessment is primarily dependent (interconnection upgrade costs) is currently very flawed.

Project Substitution/Reallocation

Summit Ridge is in favor of project substitution/reallocation as a way to help ensure that the projects that look to be the most economically feasible within the portfolio of a given developer (or its affiliates) are built.

IPA Concepts from Request for Comments:

- *Allowing switching of non-winning projects in the lottery waitlist as well as switching of winning projects.*
- *Clarifying that reallocated projects swap lottery selection positions.*
- *Clarifying that reallocation can occur between projects owned by the same developer or their affiliate (rather than only by the same "Approved Vendor").*

Summit Ridge agrees with these concepts and clarifications.

- *A new proposal to consider allowing project substitutions beyond the one-time substitution date (including for previously-substituted projects) should projects either:*
 - *Receive significantly higher updated interconnection costs than included on their initial interconnection agreement (if so, what percentage higher?); **OR***
 - *Receive an updated interconnection cost estimate above a certain threshold (if so, what is the correct interconnection cost threshold?).*

Summit Ridge agrees with this proposal if the initial switching window is kept at 7 days (which we feel is too short and should instead be the least amount of time in which the utilities can complete expedited re-studies), so long as a reasonable threshold and timeline are used. We would recommend 30% as the cost threshold, given that this is the intended confidence interval for post Facility Study upgrade cost estimates; and we would recommend that the timeline be no longer than the period of time it will take the utilities to perform expedited re-studies, with a cap of 2 months.

Synchronization of the IPA Lottery with the Utility Interconnection Queue Processes

“The Agency is aware that upon the assignment of lottery order positions, utilities will begin seeking nonrefundable deposits to clear the interconnection queue of nonviable projects.”

With respect to the statement by the IPA above, we feel that a better description of the intent of the currently proposed deposit requirement by the utilities is that it is intended to clear the interconnection queue of non-lottery-winning projects (with the unlikely but possible exception that a project that does not win goes forward without ABP incentives).

SRE agrees with the IPA’s proposal to keep projects from seeking to participate in both the Adjustable Block Program and the Solar for All Program. We see this as a reasonable distinction that will assist queue management and prevent the Solar for All program from being flooded with applications at its outset.

Reducing Applications from Speculative Projects

While SRE supports high barriers to entry, we feel that any attempt to gauge the “seriousness and quality of a project” will be subjective and inherently flawed given the insufficient level of accuracy of current interconnection upgrade costs. While we understand the intent of a proposal for pre-application collateral, we see no way in which this can be implemented equitably without a significant potential for unintended harmful consequences at this time and would be more appropriate to consider in future plan re-designs.

Summit Ridge supports the September 10th cutoff date proposed by the Agency to reduce the unintended consequences of a delay in the opening of the ABP program. Should an allowance be made for projects to participate after this date, however, we support a restriction on switching being placed on those projects, such that the projects would be able to take the place of different lottery winning projects but not vice versa. We see this as a simple and effective way to discourage submitting projects that would simply serve as placeholders.

“Grouping” Of Projects into a Single Lottery Entry

Summit Ridge agrees with this proposal.

Transparency of Information

Summit Ridge supports the IPA's proposal to have a fully transparent lottery process, which will be held at a public location and conducted using an algorithm to be made open to review by interested parties. With regard to the publication of information on the winning projects, however, we do understand the privacy concerns that have been voiced by industry colleagues. As a solution, SRE supports publishing the queue number of winning projects, along with the name of the Approved Vendor, any small subscriber commitment status, and the random ordinal number assigned through the lottery. We support publishing project size for Community Solar projects only. In lieu of project addresses for Community Solar projects specifically, we see a less specific geographic identifier as being sufficient.

While we understand the IPA's proposal to notify winning lottery project landowners or zoning boards, we feel it would introduce an unnecessary layer of complexity. Also, we note that our intent to develop a project would remain intact even if we make an initial switch for this first round of REC contract awards (barring re-studied, more accurate interconnection costs that would result in a project being unfeasible).

Lottery Within 45 Days

Summit Ridge is strongly against this proposal, as it would entail a longer window of uncertainty for a given ABP category, similar to what was originally proposed and subsequently changed.

Discretionary Capacity

Summit Ridge strongly supports the rapid deployment of the discretionary portion of the currently allocated ABP funds and feels that a reasonable approach to measuring demand across the various ABP categories is to use a simple one-time snapshot of capacity that has been applied for in each category (e.g. as of January 29, 2019) and distribute the funds proportionally.