US SOLAR
100 N 6th Street, Suite 218C
Minneapolis, MN 55403
612.260.2230
www.us-solar.com

December 10, 2018

Via Electronic Mail

Anthony Star
Director, Illinois Power Agency
160 North LaSalle Street, Suite C-504
Chicago, Illinois 60601
comments@illinoisabp.com

Re: Comments on IPA's November 28 Draft Adjustable Block Program Guidebook

Dear Director Star,

United States Solar Corporation ("US Solar") files this letter in response to the Illinois Power Agency's ("IPA") November 28 Draft Adjustable Block Program Draft Guidebook ("Program Guidebook"). US Solar is a community solar farm developer/owner/operator that is currently developing projects in four states, with over 50 MWs of community solar installed and subscribed to date.

We are excited to participate in the Illinois community solar market, and respectfully request the following modifications to the draft Program Guidebook.

1) The IPA should keep an open mind about revising the Program Guidebook's development timelines based on exogenous events (*e.g.*, program-wide interconnection delays) that may occur in the future.

The draft Program Guidebook established a set of maximum development timelines, at 20-21. Unfortunately, as developments in other states' programs have shown, it may sometimes take more than two years for the first cohort of community solar project to achieve their commercial operation date (COD). Given the various exceptions that that IPA has built into the draft Program Guidelines, we don't believe this will be a concern in Illinois. But we do ask the IPA to keep an eye on exogenous factors, and to consider revisiting (and extending) the maximum timeline if future events warrant.

US SOLAR
100 N 6th Street, Suite 218C Minneapolis, MN 55403
612.260.2230 www.us-solar.com

2) The IPA should specify that only a portion of the $5,000 maximum community-solar application fee is required prior to the Block 1 lottery, with the remainder of the application fee due at the time the project is allocated to a REC Block.

The draft Program Guidebook states that "an application fee equal to $10/kW, not to exceed $5,000, will be required for each project." This provision appears to draw directly from the Long Term Renewable Resources Procurement Plan ("LTRRP"), at 129. But the LTRRP does not specify when the application fee must be submitted, or whether the payment can be made in multiple installments – so it would be appropriate for the IPA to clarify those timing elements in its Program Guidebook, at 18.

Of key relevance, we now know there are "over 650 community solar projects" in ComEd's interconnection queue,[1] with potentially another 550 community solar applications or more submitted for Ameren – for total potential applications approaching 1200. And given that the total available Block 1-3 allocation is capped at 165.5 MWs (LTRRP Plan, at 102), the vast majority of the lottery-eligible community-solar applications will be placed on a multi-year wait list.

To avoid the situation where the Program Administrator is holding millions of dollars in application fees for multiple years,[2] we propose that the Program Guidebook clarify that the bulk of each community solar application fee shall be collected after the lottery, at the time each project is allocated to a REC Block. While the IPA may see fit to require a ***portion*** of the application fee as a down payment to cover the cost of verifying initial eligibility, it places an unnecessary burden on developers to collect the entire application fee upfront.

Even if the ABP collected an initial fee of just $1,000 (maximum) for each application, the community-solar category alone would generate over $1.2 million in initial fees. The ABP could then collect the remainder of the application fee when the applicant is offered an actionable REC agreement under the Adjustable Block Program.

[1] November 28, 2018 Adjustable Block Program Lottery Procedure – Guidance Document, at 2.

[2] 1,200 community-solar applications times $5,000 per application (assuming most are above the 500 kW threshold) would equal roughly six million dollars in total application fees.

3) The IPA should clarify that certain project information provided in the Part I Application (project design stage) may change prior to the Part II Application (project as built)

The draft Program Guidebook requires community-solar projects to submit equipment and installer information in the Part I Application that may reasonably change during project engineering and procurement, including but not limited to:

- solar module make and model;
- inverter size, make, model;
- array information, and
- installer name and contact information.[3]

Applicants should be allowed to modify these project elements prior to COD (and the Part II Application) because, as a practical matter, the relative availability and price of specific system components will often change with the passage of time in response to market forces of supply and demand, not to mention federal trade tariffs that may start or stop before the developer begins actual construction on the site.

That is why the Interconnection Agreement allows applicants some flexibility in equipment changes, and why most community-solar developers don't finalize their equipment procurement until later in the development process. By a similar token, a community-solar applicant may change its planned installation contractor (*i.e.*, its EPC or Engineering, Procurement, and Construction contractor) during the development process for a number of legitimate reasons. The community-solar applicant should thus be allowed to change each of these variables between the Part I and Part II applications.

4) The IPA should clarify that Signed Disclosure Forms and Proof of ABP Brochure Presentment are due in the Part II Application (not the Part I Application).

The draft Program Guidebook seems to require that community-solar projects submit certain subscriber information to the program administrator before the Block 1 Lottery is held (*i.e.*, as part of the Part I Application).[4] But given that the vast majority of community-solar applications will not win a Block 1-3 REC contract in the lottery, and will instead be placed on a

[3] Program Guidebook, at 23.

[4] *Id.*, at 24 ("Required Uploads: For all projects . . . Signed Disclosure Form … Proof that the brochure was provided to the customer").

multi-year waitlist, it does not make sense to require the filing of "signed Disclosure forms" in the Part I Application.

For this reason, the IPA should clarify that community-solar vendors / applicants can instead submit this information in the Part II application (*i.e.*, prior to project COD).

5) The IPA and/or ABP should not unreasonably withhold Part II Application approval merely because a project has downsized or shifted on its initial host parcel.

The draft Program Guidebook would place harsh restrictions on whether a community-solar project can decrease its size and adjust its placement on the planned host parcel:[5]

> "Note that variations of less than 5% (or less than 1 kW, if 1 kW exceeds 5%) in size or capacity and variations in plot placement that impact less than 5% of the total surface area covered by the solar array(s) will not require project reapproval."

While it may make sense to prohibit a significant increase in the project size during the time between the Part I and Part II applications, it does not make sense to prevent a community-solar project from decreasing its size by more than 5 percent during the same period. There are multiple legitimate reasons why a project may need to be downsized after it submits its Part I Application. For example, the project may be downsized by the utility during the interconnection process, or the applicant may voluntarily decrease the project size to avoid having to pay for an expensive upgrade to the distribution system.

Likewise, there are many legitimate reasons why a community-solar application may want (or need) to shift its footprint on the host parcel. For example, a pre-construction geotechnical analysis or on-site wetland delineation (which must take place in warmer months) may indicate that shifting the site could reduce cost and/or environmental impacts. For these reasons, the discretionary land-use permit will typically allow a shift in the project footprint, as long as the project modification does not violate any setbacks or other conditions in the permit. We see no reason for the IPA to place an additional restriction above and beyond the local land-use permit.

We thus respectfully request that the IPA revise this portion of the draft Program Guidebook to read:

> "Note that ~~variations~~ an increase of less than 5% (or less than 1 kW, if 1 kW exceeds 5%) in size or capacity ~~and variations in plot placement that impact less than 5% of the total surface area covered by the solar array(s)~~ will not require project reapproval."

[5] *Id.*, at 25.

6) The IPA should revise and/or clarify its statements in the Program Guidelines regarding the ABP REC Contract after it reviews comments regarding said contract,

We understand that the draft ABP REC Contract, was released for comment on Friday, December 7th, with stakeholder comments due next Wednesday. Here we simply flag our concern with aspects of the REC Contract that are set forth in the draft Program Guidebook at page 20 (regarding collateral forfeiture) and page 22 and 27 (regarding REC penalties for failure to achieve 100 percent subscription upon COD and the one year anniversary thereof).

Sincerely,

s/ *Ross Abbey*

Ross Abbey
Senior Development Specialist United States Solar Corporation
ross.abbey@us-solar.com