



Comments on Behalf of Community Energy Solar, LLC

Community Energy Solar, LLC appreciates the opportunity to submit comments regarding the ABP Block 1 Lottery. Our comments are in relation to the proposed concept of *limiting a developer and its affiliates' applications to the maximum capacity in Blocks 1-3 of each Group*.

The method above will reduce the number of speculative projects by forcing participants to submit projects in order of priority, and to that end, we support this measure.

In addition to reducing the number of speculative projects and therefore increase the ratio of non-speculative projects, our understanding is that this measure will achieve another benefit, which is to diversify the market, leading to a more competitive market for customers in Illinois.

The competitiveness of a marketplace is defined by the [Herfindahl –Hirschman Index \(HHI\)](#), which is a commonly accepted measure of market concentration. The HHI may be used to help guide or support what limit should be placed on a developer or its affiliates capacity. In the HHI, market concentration is measured on a scale of 100 to 10,000, using the formula:

$$HHI = s1^2 + s2^2 + s3^2 + \dots$$

HHI scores of <1,500 are considered to be competitive. Scores between 1,500 and 2,500 are considered to be moderately concentrated, and scores above 2,500 are considered to be highly concentrated.

As an example, a 50% market share from a single developer would automatically yield a market concentration well over 2,500, and render a market highly concentrated. As a second example, if the market were concentrated amongst four entities, each with a 25% market share, the market would have an HHI score of exactly 2,500, and be at the border between moderately concentrated and highly concentrated. We propose that the IPA place a limitation on the market share of any one entity and its affiliates to ensure market competitiveness.

Thank you,
Community Energy Solar

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