



Comments to the Draft Procedure for the Block 1 Lottery

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Consideration should be given to eliminating the requirement for “acceptable” projects to have a generator interconnection agreement in place with the distribution utility, or even an application for same in progress. Instead, the IPA should evaluate and conditionally accept projects based on other required attributes as determined by the program. The IPA should then require these conditionally-accepted projects to immediately apply for interconnection with the distribution utility. If the resulting generator interconnection costs assigned to the solar project developer by the distribution utility are determined to be unacceptable, allow the solar developer to withdraw the project with no consequence. The IPA can then replace the withdrawn project with the next eligible project that was conditionally accepted under the program rules.

This will eliminate the “flood” of generator interconnection applications that the distribution utilities are currently grappling with, and the generator interconnection queue that is attributable to the Adjustable Block Program will instead consist of a much smaller number of projects that have been conditionally accepted by the IPA. In this way, the utility interconnection process will become much more streamlined, the cost responsibility assigned to solar developers will become much more determinable with a clear “go, no go” decision to be made, and the financial risk of cost uncertainty for solar developers will be reduced which will greatly accommodate successful project financing efforts.

Additionally, discussions should be had with the ICC about eliminating the current practice of requiring solar project developers to pay the full cost of upgrades to the electric utility’s distribution system to accommodate a solar project. This is an outdated notion that assumes generation resources that are not developed by incumbent utilities are not “in the public interest”. FERC initially held that position back in the 1990s when it allowed open access to the transmission system by independent generators. But it later reversed itself and allowed transmission utilities to reimburse the generators for the cost of system upgrades that they initially paid for and that were later deemed to be “used and useful” and in the “public interest”. Simultaneously FERC allowed the transmission utilities to roll those same costs into their cost of service rate base thus reinforcing the public interest principles of utility franchise. A change in the ICC’s thinking could go a long way toward ensuring that portions of the state’s electric distribution systems do not become privately funded over time with a corresponding shrinkage in electric utility rate base. And just as importantly, it will greatly enhance the prospects for larger numbers of new distributed solar electric generating systems under the Adjustable Block Program.

Thank you for the opportunity to express my views...

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