

September 28, 2019

VIA EMAIL

Anthony Star
Illinois Power Agency
160 N. LaSalle Street
Suite C-504
Chicago, IL 60601

RE: SunVest New Energy LLC's comments to ABP Lottery Strawman

Dear Mr. Star:

SunVest New Energy LLC ("SNE") is pleased to submit comments to the Illinois Power Agency ("IPA") and InClimate's Block One Lottery Strawman Proposal dated September 9, 2018 (the "Lottery Proposal"). SNE is a strategic partnership between SunVest Solar, Inc. ("SunVest") and New Energy Equity, LLC ("NEE"), based in Geneva, IL and focused on developing, constructing, owning and operating Community Solar Gardens ("CSG's") in Illinois. Together the members that make up the SNE team have developed over 300 of megawatts (MW's) of CSG's and distributed scale solar projects and over 1 gigawatt of utility-scale renewable energy projects that are now operating throughout several markets in North America.

First, let us start by acknowledging the difficult task assigned to the IPA in the drafting and implementing of a set of program rules that are consistent with the Future Energy Jobs Act and take into consideration the widely divergent perspectives of the various stakeholders participating in the Adjustable Block Program ("ABP"). To this point we believe that the Lottery Proposal is well thought out and sets out a good framework to build off of. We'd offer the thoughts below for the IPA's consideration as it looks to further refine the lottery process.

Reallocation of REC Contracts

We agree with the policy of allowing applicants a one-time opportunity to assign REC contracts to affiliated projects that it has also submitted to the ABP within the first fourteen days of the opening of Block 1. As both the IPA and the utilities have noted, the timing of the lottery does not allow for

restudy of the interconnection queue based on which projects are selected in the lottery process. The ability to assign REC contracts within the group of affiliated projects allows applicants to utilize the most efficient interconnections first without the need for a protracted restudy process.

Without this ability, it is easier for a limited number of developers to box out competition by simply locking up interconnection capacity and sitting in the queue. This problem is exacerbated by the utilities' policy of not requiring proof of site control at the time interconnection requests are filed as well as not collecting interconnection deposits until after the lottery process is complete.

We believe allowing the limited reallocation of REC contracts helps to ensure participation of a diverse group of developers and increases the probability of a successful program.

REC Contract Financial Security

The timing of the posting of the requisite financial security under the REC contract could encourage speculative applications to the ABP. The current application fees set forth under Section 6.14.3 of the Long-Term Renewable Resources Procurement Plan ("LTRRPP") are capped at \$5,000 which provides a relatively low barrier of entry for a 2MW CSG. The more substantial financial security requirement of 5% total contract value spelled out under Section 6.16.1 of the LTRRPP is not due for 30 days after the REC contract has been accepted by the applicant and approved by the commission making it of little value in deterring speculative bids.

We would suggest requiring the financial security under 6.16.1 to be posted at the time of application to the ABP. The security associated with projects that are not selected could be refunded to the applicant but could be non-refundable if a contract is awarded and the applicant fails to perform. Those projects which are not selected but wish to retain their spot in the lottery for future blocks could be required to maintain the security as described above or forfeit their position. This requirement would be similar to the financial security requirements under the utility-scale procurements that the IPA has administered.

In addition, we would suggest that the IPA require an applicant to demonstrate that it has posted any deposits or payments required under the

interconnection agreement for the project the REC contract is awarded or assigned to at the time it accepts the REC award. This would help to further limit speculation as well as provide clarity to down queue projects that are impacted by a project which has accepted an award.

Cap on Percentage of a Block Awarded to a Single Applicant

One of the stated goals of the IPA in drafting the LTRRPP was to promote opportunities for renewable energy projects from a diverse mix of technologies, socioeconomic classes, project sizes, market participants and geographic areas. Given the interest that the ABP has drawn, particularly for CSG's, those with the largest number of projects submitted to the program stand the best chance of being awarded the most capacity in a given block. Those with a few applications stand the least chance of being awarded a REC contract.

While the proposed lottery system serves to help randomize the award of the REC contracts, there remains the possibility that a single applicant could be awarded a high percentage of the total capacity of a given block. In order to mitigate this circumstance, we would propose a cap equal to 20% of a single block that could be awarded to an applicant. We feel that this approach would help to promote diversity amongst the participants in the ABP.

We appreciate the opportunity to provide these comments and suggestions and look forward to continuing to participate in the stakeholder process.

Sincerely,

Tim Polz

Tim Polz
Manager
SunVest New Energy LLC