



October 17, 2018

Trajectory Energy Partners, LLC
P.O. Box 310
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Re: Trajectory Energy Partners Comments to Adjustable Block Program Block 1 Lottery Request for Follow-Up Comments dated October 5, 2018

Trajectory Energy Partners (“Trajectory”) appreciates the opportunity to comment on the additional questions posed by the IPA in the Request for Follow-Up Comments dated October 5, 2018 (“Request for Follow-Up”), and the thought that went into formulating those questions. Our responses are based on our review of the comments submitted by other parties to the initial Strawman dated September 10, 2018 as well the questions posed in the Request for Follow-Up.

The comments that follow are limited to the Community Solar Adjustable Block Program Block 1 Lottery (the “Community Solar Lottery”). In light of our review of the other parties’ comments to the initial Strawman and the Request for Follow-Up, Trajectory stands by our initial comments submitted on September 24, 2018. In addition, Trajectory, as a member of the Coalition for Community Solar Access (“CCSA”) and the Illinois Solar Energy Association (“ISEA”), supports the comments of CCSA and ISEA.

We believe that the IPA has an opportunity to significantly improve the outcome of the Community Solar Lottery and preserve the promise of this important policy in Illinois. To advance these goals, Trajectory would emphasize the following points:

1. Pre-Bid Collateral

A requirement for significant pre-bid collateral is the single most important step that the IPA could take at this juncture to preserve the integrity of the Community Solar Adjustable Block Program. Developers must have an incentive to carefully evaluate their pipeline of projects and only submit those projects that would “feature lower cost structures and more development certainty”. In particular, pre-bid collateral would help developers determine which projects have the best chance of favorable interconnection costs based on queue position and received utility studies, which projects are at lowest risk of higher construction costs due to geologic, hydrologic, or other environmental issues, and which projects can be designed to maximize electricity and REC production. Every developer will be forced to reckon with ascertaining a realistic evaluation of their projects based on the best information available before the Community Solar Lottery. The IPA and InClimate cannot be expected to do this work for the



developers, and pre-bid collateral will appropriately shift the burden to the party best able to evaluate project feasibility – the developer proposing the project.

Trajectory strongly supports the Pre-Bid Collateral proposal set forth in the CCSA comments.

2. Project Readiness

A theme throughout our September 24th comments was that the Community Solar Lottery should prioritize projects that are ready to be constructed upon receipt of a REC contract. Every metric of success in the Illinois Community Solar market depends on the lottery selecting projects that are financeable and constructible. The majority of our recommendations are aimed at separating out constructible projects from the “zombie” projects that are, for one reason or another, not ready for construction, or are being submitted only in hopes of winning another lottery ticket.

To that end, Trajectory would reemphasize the proposals set forth in our previous comments:

A. Queue Position

The Community Solar Lottery should give priority to a) projects with first position on their respective interconnection queues and b) to projects with interconnection upgrade costs that are demonstrated to be non-contingent on other projects on the same circuit

As discussed in Trajectory’s September 24th comments, we believe this prioritization will improve outcomes in the ABP program, is consistent with the current structure of the ABP, and will improve geographic diversity.

B. Executed Site Lease

In addition, it is absolutely critical that the IPA require developers to submit – and that the IPA verifies – evidence showing that a project has qualified to enter the lottery. In particular, a countersigned lease option (and not simply a Letter of Intent, or another placeholder) should be submitted. This requirement is doubly important, because site control is required both to enter the Community Solar Lottery and to demonstrate that the interconnection agreement is valid pursuant to the interconnection regulations under Title 83 Administrative Code Part 466.60 (f):

“When an applicant is not currently a customer of the EDC at the proposed site, the applicant shall provide, upon EDC request, proof of the applicant’s legal right to control the site, evidenced by the applicant’s name on a property tax bill, deed, lease agreement or other legally binding contract.”

A letter of intent, or a developer's attestation of site control, is not sufficient to show legally binding site control.

C. Non-Ministerial Permits

Similarly, developers should be required to submit evidence of the applicable Special Use Permit or official confirmation that no such permit is required.

D. Delayed Interconnection Applications

As Trajectory outlined in detail in our September 24th comments, there is significant moral hazard in allowing projects to participate in the lottery if they have submitted an interconnection application after September 10th, 2018. Trajectory strongly supports a September 10th cut-off date for Community Solar Lottery eligibility.

3. Additional Responses

Trajectory has the following specific responses to additional prompts in the Request for Follow-Up:

- *Allowing switching of non-winning projects in the lottery waitlist as well as switching of winning projects.*

Trajectory supports the concept of allowing switching of non-winning projects, as it will ensure that the ABP waitlist will reflect developers' best estimation of project viability.

- *Clarifying that reallocated projects swap lottery selection positions.*

Trajectory supports this clarification for the reason given above – it is the best way for the IPA to receive information about project viability.

- *Clarifying that reallocation can occur between projects owned by the same developer or their affiliate (rather than only by the same "Approved Vendor")*

Trajectory supports the approach set forth in the Strawman: that every vendor that applies to become an Approved Vendor must identify which other Approved Vendors are its Affiliates as defined in Section 7.3.1 of the Long-term Renewable Resources Procurement Plan. Most developers will have formed a separate special purpose entity for each community solar project, which owns the assets of that project. Each developer would identify as Affiliates all of the special purpose entities representing projects under development by that developer.

In order to best facilitate the IPA's tracking of Affiliates for the purpose of managing the switching process, Approved Vendors should submit a single list of Affiliates at the beginning

of the Community Solar Lottery. This list could identify a “Prime” Approved Vendor or the name of the affiliated developer to be used as the identifier for the list of Affiliates.

- *A new proposal to consider allowing project substitutions beyond the one-time substitution date (including for previously-substituted projects) [. . .]*

Trajectory does not support this proposal. If the program allows additional project substitutions would only serve to further confuse and complicate the implementation of the ABP. More problematically, it would further encourage the submission of non-viable projects to the Community Solar Lottery in order to maximize the chance that an Approved Vendor wins a ticket for one of their viable projects. As noted in the Request for Follow-Up, this proposal creates unintended consequences and inappropriate gaming opportunities.

- *To the extent that the utilities will require non-refundable deposits for projects to remain in the queue upon publishing of lottery results, the Agency is considering allowing for a project to still be considered qualified for the Adjustable Block Program by virtue of its prior-executed interconnection agreement submitted at the time of the initial application to the Program [. . .]*

Trajectory agrees with CCSA’s opposition to this proposal, given the current interconnection rules. A project that is not in the interconnection queue is the very definition of un-buildable. A project should not have the ability to maintain qualification for a REC contract if they have not met the ABP requirements. However, if the interconnection rules change based on, for instance ICC Docket 18-1503, it may be appropriate to allow a developer the opportunity to remain on the ABP waiting list based on a prior-executed interconnection agreement.

- *Limiting a developer and its affiliates’ applications to the maximum capacity in Blocks 1-3 of each Group.*

Trajectory supports this proposal. In addition, in order to ensure a healthy market and mitigate risk of non-performing developers, Trajectory supports a developer cap that would limit any Approved Vendor or its affiliates from being awarded a majority of the capacity for the initial blocks subject to the Community Solar Lottery. Implementing these caps will require the Approved Vendor affiliates records detailed above re the switching proposal.

- *Limiting entries into the lottery for community solar to only projects with interconnection application dates prior to the September 10th release date of the Agency’s draft lottery proposal.*

As set forth above, Trajectory strong supports this proposal.

- *Consistent with a number of comments received, requiring those community solar projects that make the small subscriber commitment to provide information at the time of application showing that those developers have a plan to actually solicit and enroll small subscribers. If in support of this concept, please provide details of the information that would be required and the*



method the Program Administrator would use to ensure that this plan was accurate, correct, and sufficiently robust.

In order to demonstrate a developer's commitment to enrolling small subscribers, the IPA could require one of the following: A) a redacted signed contract with an established provider of community solar subscription solicitation or management, B) evidence that the Approved Vendor or its Affiliate has solicited and managed community solar subscriptions for small subscribers previously, or C) evidence that the Approved Vendor or its Affiliate has interest from small subscribers representing 25% of the proposed project's capacity.

The evidence of small subscriber intent should be made consistent with a developer's commitment to abide by the forthcoming consumer protection rules, and at the same time will drive project developers to deliver constructible projects to their subscribers.

- *The Agency would welcome comments on how to allocate discretionary capacity [. . .]*

Consistent with CCSA and ISEA, Trajectory supports the immediate allocation of at least a portion of the discretionary capacity on a proportional basis amongst categories in order to achieve the goals set forth by the IPA. The allocation should occur prior to the end of the switching period in order to allow developers to make informed decisions about their projects.

Thank you for your consideration.

Respectfully submitted,

/s/ Josh Bushinsky

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