

November 10, 2017

VIA EMAIL

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

**RE: SunVest Solar Inc.'s Comments to the Draft Long-Term Renewable Resources Plan**

Dear Mr. Bohorquez:

SunVest Solar Inc. ("SunVest") is pleased to submit comments to the Illinois Power Agency's ("IPA") Draft Long Term Renewable Energy Procurement Plan ("LTRREP"). SunVest is a developer, owner and operator of solar energy projects. SunVest is headquartered in Pewaukee Wisconsin, with regional offices in Geneva, Illinois and Madison Wisconsin. SunVest focuses on residential and commercial and industrial behind the meter solar projects as well as community solar. First, let me start by commending the IPA on the LTRREP. It is clear that the LTRREP was drafted after significant thought and research and considers feedback from various stakeholders' experiences in other programs throughout the country. With that in mind, SunVest offers the comments below for IPA's consideration.

**Section 7.3.1 - Co-Location**

SunVest agrees with the IPA's decision to draft the LTRREP to prohibit co-location of multiple 2MW projects on a single parcel or on adjacent parcels under common ownership. The clear intent of P.A. 99-0906 is to meet Illinois renewable energy goals by implementing a plan that, among other things, promotes the development cost effective, new renewable energy projects that are diverse in size and geographic dispersion and promotes broad market participation.

With these goals in mind, the Illinois Legislature clearly laid out opportunities for utility-scale wind and solar projects to participate through the long-term forward procurement process and set aside other opportunities for smaller behind the meter and community solar projects to participate through the adjustable block program. In doing so, the Illinois Legislature specifically limited the size of the projects participating in the adjustable block program to 2MWac. If they had

intended to allow larger, utility-scale projects to participate in the adjustable block program, it is logical to assume that they would have set the size limit higher or not included a limit at all.

Allowing co-location of multiple 2MW projects without a corresponding decrease in REC price will not result in any savings for rate payers. Proponents of co-location point to increased economies of scale with larger projects as a way to drive down cost for rate payers and consumers. While it is true that larger projects can be developed, constructed and operated at a lower cost, it does not necessarily follow that lower costs for ratepayers and consumers will follow. The cost borne by ratepayers to implement the adjustable block program is dictated by the REC prices specified in the LTRREP. Base REC prices were developed by the IPA based on a 2MWac project size. The IPA then built in “Adders” for projects of various, smaller sizes to ensure a diverse mix of projects. Unless there is a corresponding decrease in base REC prices for co-located projects, rate-payers will not see any benefit from allowing co-location.

Similarly, co-location does not necessarily guarantee cost savings to subscribers and/or consumers who contract to purchase energy from co-located projects. Most developers approach subscribers and/or consumers by offering energy from a project at a rate that is a certain percentage below the rate that the consumer is currently paying their utility. If the market is offering energy savings of 10% to consumers but a developer of a co-located can offer energy at a price that represents a 20% savings to the consumer, it’s unlikely that developer will pass on that value to the consumer because the market is not requiring them to do so. Therefore, the developer of the co-located project stands to benefit most from co-location in the form of a higher return on their investment.

Finally, co-location decreases both geographical and market participant diversity. Co-located projects will require significantly more land than individual 2MW projects. As a general rule of thumb 1MWac requires approximately 5 acres for fixed tilt systems and 8 acres for single axis tracking systems. Finding suitable 10-16 acre sites can be challenging in more urban and suburban locations but finding the 50-80 acres required for a 10MW co-located site in all but the more rural locations is next to impossible. In addition to pushing development to the most rural communities, co-location would also result in fewer projects and fewer market participants filling the available REC’s available in each block.

### **Section 6.3 – Block Allocations**

Currently the IPA has allocated the 25% that was left to its discretion equally across all three block categories. SunVest agrees that this is right approach without knowing the uptake rate for each size category. However, if it is possible for the IPA to not allocate this 25% up front but wait to see how the market responds to Block 1 and then allocate the 25% accordingly we would suggest that approach as an alternative. If however, the IPA is prohibited from adjusting initial allocations until the Plan Update in 2019, then we support the allocation as presently drafted.

SunVest appreciates the opportunity to provide feedback on the LTRREPP and looks forward to participating in the Illinois solar market.

Sincerely,

*Tim Polz*

Tim Polz  
SVP - Development  
SunVest Solar Inc