

[Commenter 7 logo]

[Commenter 7 representative and title]

Procurement Administrator  
IPA Procurement Events  
360 Hamilton Ave, White Plains, New York 10601

Re: Opportunity to Provide Feedback to IPA on Brownfield Site Photovoltaic Procurement

Sent via email to: [Illinois-RFP@nera.com](mailto:Illinois-RFP@nera.com)

[Commenter 7] is a renewable energy development company that focusses exclusively on the development of renewable energy projects located on brownfield and landfill sites. We have two projects under development in Illinois, both of which are candidate projects for the Brownfield REC auction. We did not participate in the Brownfield REC auction due to the issues identified below. We are encouraged that IPA requested feedback on its Brownfield REC auction procurement process, and we would welcome any additional opportunities to discuss this matter further.

1. The collateral requirement to participate in the REC auction is unique to the IPA program. We are not aware of a collateral requirement of any kind for participation in any renewable energy incentive program either at a state or federal level. We understand the rationale for collateral during the contracting phase of a transaction. However, by requiring collateral and other significant hurdles for participation in the REC auction, the IPA is doing nothing other than increasing barriers to entry and limiting the number of bids it receives.
2. The Brownfield REC auction is a similar process and product to the Utility-Scale REC auction. The latter resulted in pricing much lower than many market participants, including [Commenter 7], forecasted. Therefore, it appeared unlikely that the Brownfield REC auction would result in the necessary incentive level to support the additional costs inherent in permitting and constructing solar projects on brownfield sites.
3. The IPA did not adequately distinguish the Brownfield REC auction from the Utility-Scale REC auction. Even after the Brownfield REC auction, we only know that no successful bids were received. This could be due to a formality, no bids being submitted that complied with the "Benchmark," or no bids submitted whatsoever. With no formal guidance, and high barriers to entry as discussed above, it remains unlikely that any but the largest of project development companies would take on the added expense of meeting the collateral requirements for an expected low incentive award amount. We understand the potential cost advantages of providing no insight whatsoever. We would point out that the IPA could provide valuable information, such as the number of bids received and the number of bids that were not successful due to not meeting the "Benchmark," that would facilitate an active procurement event without sacrificing competition.

4. Brownfield sites tend to be suited to support Distributed Generation-scale projects rather than Utility-scale projects. Therefore, other IPA programs, though over-subscribed by orders of magnitude, appear to be a better fit for these projects than the Brownfield REC auction does. IPA could, again, facilitate a more productive Brownfield REC auction by offering more information on the sizes of projects that bid in the first round, a price range to support the “Benchmark,” or any information about why no conforming bids were received.
5. There are some basic points that we would like to highlight as IPA considers additional methods of procuring RECs from Brownfield sites:
  - a. There are additional costs associated with permitting, particularly in jurisdictions that are unaccustomed to brownfield solar development, and with the need for specific equipment and construction techniques.
  - b. The cap of 80,000 RECs is relatively low. A small number of low-risk sites could fulfill the entire allotment, which could convince some brownfield project developers to sit-out the Brownfield REC auction.
  - c. We do not support the erosion of standards for qualification of brownfield sites, as implied by the IPA’s Q&A document dated February 5, 2019. Reducing the standards of the definition of brownfield sites would reduce the incentive to develop for productive reuse the most critical sites in Illinois. Moreover, if the IPA truly wishes to promote redevelopment of blighted sites, we would encourage additional incentives or other methods of assigning preference to sites included on the US EPA’s National Priorities List. These sites are more expensive to develop than greenfield sites are and it is clearly in the public interest to promote redevelopment of such sites.

We thank you for the opportunity to provide feedback and would welcome the chance to engage further to assist IPA in creating a successful Brownfield REC auction.

[Commenter 7 representative and title]