**COMMENTS ON ILLINOIS POWER AGENCY'S DRAFT LTRRPP ON BEHALF OF CYPRESS CREEK RENEWABLES**
**February 28, 2022**

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Cypress Creek Renewables ("CCR"), LLC appreciates the opportunity to review and comment on the Illinois Power Agency's ("IPA") draft 2022 Long-Term Renewable Resources Procurement Plan ("Draft LTRRPP").

CCR is largely in agreement with the comments provided by the Joint Solar Parties ("JSP") on this matter. However, there are several areas where we would like to add more detail and/or note a difference in our position, which we have documented below.

## Section 2 (and Addendum)

The IPA should make available their modelling work that forecasts future program costs versus revenues. It is particularly difficult to provide any substantive commentary on the prudency of the IPA's program cost modelling without transparency on the IPA's modelling approach and assumptions, given the large number of factors that go into determining future costs – program allocations; REC prices; energization dates; etc. If the IPA makes their model available, they would be likely to get more specific and actionable feedback on this modelling, similar to what stakeholders are able to provide vis-à-vis the IPA's REC pricing model.

## Section 7 – Adjustable Block Program

*CS First Block Opening*

We agree with the JSP that the IPA is clearly permitted to open a Community Solar block on August 1, 2022, and that this is advisable. On this subject, the legislation states:

*Starting in the third delivery year after the effective date of this amendatory Act of the 102nd General Assembly* ***or earlier if the Agency determines there is additional capacity needed for to meet previous delivery year requirements***[1]

This unambiguously gives them the ability to open a Community Solar block following the approval of the next LTRRPP. With regards to the *previous delivery year requirements* condition, the IPA's current proposal would not be in compliance with the REC procurement targets mandated by the legislation – in particular, their proposed REC procurements between the Delivery Year ("DY") 2021 and 2022 blocks would not reconcile with the Adjustable Block Program ("ABP") make-up prescribed in CEJA. This issue is shown in **Table 1** below.

**Table 1: ABP Allocations through DY 2022 based on IPA's Current Proposal**

[1] Page 367, CEJA

| | MWac | SDG | LDG | CDG | CDCS | EEC | SS | Description |
|---|---|---|---|---|---|---|---|---|
| 1 | **IPA Initial Allocations** | 133 | 147 | 250 | 10 | 75 | 50 | *Initial block allocations* |
| 2 | **IPA Proposed DY 22 Allocations** | 134 | 134 | 0 | 33 | 66 | 100 | *Proposed Draft LTRRPP allocations* |
| 3 | **Percentages (Category 1 + 2) / (Total 1 + 2)** | 24% | 25% | 22% | 4% | 12% | 13% | *Implied percentages between DY 21 & DY 22* |

This table demonstrates that the current allocations being proposed by the IPA would not reconcile with the respective shares by ABP category prescribed in statute. We have documented a reasonable adjustments scenario in **Table 2** below, assuming that no category sees a reduction in allocated capacity, and that all adjustment are increases to currently proposed capacity allocations for all categories which have not been allocated their fair share under the current Draft LTRRPP.

**Table 2: ABP Allocation Propose Adjustments to Reconcile Category Shares with CEJA**

| | MWac | SDG | LDG | CDG | CDCS | EEC | SS | Description |
|---|---|---|---|---|---|---|---|---|
| 1 | **IPA Initial Allocations** | 133 | 147 | 250 | 10 | 75 | 50 | *Initial block allocations* |
| 2 | **IPA Proposed DY 22 Allocations** | 134 | 134 | 0 | 33 | 66 | 100 | *Proposed Draft LTRRPP allocations* |
| 3 | **Percentages (Category 1 + 2) / (Total 1 + 2)** | 24% | 25% | 22% | 4% | 12% | 13% | *Implied percentages between DY 21 & DY 22* |
| 4 | **Should-be CDG 22 Allocation Adjustment** | 15 | 1 | 173 | 28 | 0 | 62 | *Adjustment to reconcile with ABP shares through DY 22* |
| 5 | **Should-be CDG 22 Allocation** | 149 | 135 | 173 | 61 | 66 | 162 | *Resultant DY 22 Allocations* |
| 6 | **Resultant Percentages (Category 1 + 5) / (Total 1 + 5)** | 20% | 20% | 30% | 5% | 10% | 15% | *Check - Shares between DY 21 & DY 22 Allocations* |

The IPA should adjust DY 2022 block sizes to align with statutory requirements, for example to those levels detailed in row 5 of **Table 2** above.

*Traditional Community Solar*

Like the JSP, we believe that maturity requirements are an efficient means of allocating capacity – by allocating capacity to projects that achieved the three maturity requirements the earliest (and breaking ties based on IA date), the IPA can at least give developers a clear understanding of where projects stand in the contract award queue. This will function to mitigate development costs and risks associated with advancing projects through the development process without a guarantee of a firm timeline for contract awards, by better enabling developers to forecast award dates and make decisions accordingly. There would be a much higher degree of uncertainty in a situation with a qualitative and unpredictable scoring system, which would result in a substantial increase in the cost of financing these projects. Furthermore, this would put the IPA at significant risk of industry complaints and actions if projects were not scored transparently and perceived as such, which amongst other things, would result in a substantial increase in the resources needed to administer and participate in this program.

In this same vein, we do not believe that a 20% developer cap should be applied to the traditional Community Solar tranche. The developer cap was initially developed for the lottery to prevent results that would arbitrarily favor one developer over another. This concern is no longer applicable and we therefore do not see a justification for a developer cap. A strong maturity mandate with clear and concise rules is the best way to ensure fair competition that achieves Illinois' RPS goals effectively. A developer cap will also increase uncertainty and risk given the fact that it's hard to anticipate how many projects would submit for contracts in any given year, which will translate into higher financing costs and higher rates of project attrition for developers unexpectedly reaching the cap. Consequently, it should be lifted or increased.

That being said, if a developer cap is pursued, in the case that a project is excluded from a contract award because it belongs to a developer that exceeds the cap, we agree with the IPA’s position in the Draft LTRRPP that it should be moved to the top of the waitlist for the next year, given the aforementioned efficiency of the use of maturity requirements in contract awards.