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Sent: Monday, September 25, 2023 10:14 AM

To: IPA.ContactUs <IPA.ContactUs@Illinois.gov>

Subject: [External] Draft 2024 Long-Term Plan Comments from Keystone Power Holdings LLC

Hello,

Please accept Keystone Power Holdings comments on the Draft 2024 Long-Term Plan:

- 1. Public Schools Community Solar SREC Price** – Keystone is very familiar with the Public Schools Category, specifically Public School Community Solar, with some of the first submissions to the program already completed. Public Schools Community Solar is significantly more difficult to develop than Traditional Community Solar, given the land requirements are constrained by needing to be on Public School owned land at the time of submission. Most schools do not have the ability to do large projects given their land availability and are generally harder to partner with compared to a normal private landowner near a substation. This lack of land for large Public School Community Solar projects and siting at the schools means that the projects are generally smaller, while still having high Community Solar interconnection costs (compared to similarly sized behind the meter projects, or compared to community solar projects on a large tract of private land next to a substation). In addition, Public Schools need to commit in a Letter of Intent to take 10-40% for 20 years of power (at a specific credit quantity/price) at the time of application, which is difficult to do without knowing interconnection costs in advance. Given the complexity of developing Public Schools Community Solar projects and the resulting projects being smaller with generally high community solar interconnection costs, we would **suggest that the SREC rate paid for Public Schools Community Solar NOT be the Traditional Community Solar rate as is currently contemplated, but instead be the rate for all Public Schools (or somewhere in between the two) to compensate for the additional effort and cost to develop these Public Schools Community Solar projects.** Right now, there is no incentive to develop Public School Community Solar instead of Traditional Community Solar apart from the blocks not being oversubscribed.
- 2. Performance Security for SREC contracts** – The timing between paying a performance security for an SREC contract across all Program Categories almost never lines up with interconnection timelines (and associated payments for both). Either interconnection is applied for first, is approved, the payment comes due, and then the SREC is applied for (meaning that potentially hundreds of thousands of dollars will need to be paid to the utility without an SREC Contract) or an SREC contract is applied for while waiting for interconnection (with 75% refundable, granted, but still a large payment when waiting on an unknown interconnect with 25% of the SREC deposit at risk). We would suggest that Performance Security for SREC contracts be allowed via both Letter of Credit and from Sureties (insurance companies). Letter of Credit facilities are harder for smaller firms, while Surety Bonds are more realistic/possible for smaller firms, with similar protections (one is from a bank while the other is from an insurance company). Being able to bond away these significant costs really opens up the possibility of doing much more solar in Illinois, especially for smaller balance sheet companies, while still ensuring the IPA and utility are covered that the payments are secure and will be paid. Right now, only Letters of Credit are available for SREC deposits (not Surety Bonds). Ameren allows both Surety Bonds and Letters of Credit for interconnection payments, which is ideal. **We would suggest Surety Bonds be specifically allowed via a standard language/form for SREC Contract payments.** This would

allow much more solar to be developed in parallel and would open the program up to smaller size/more diverse organizations. We attach the standard Surety form for Ameren interconnection payments.

Thank you for your consideration.

Regards,

-Anthony

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