

**RESPONSE TO ILLINOIS POWER AGENCY REQUEST FOR COMMENTS ON
BEHALF OF CYPRESS CREEK RENEWABLES
December 3, 2021**

Cypress Creek Renewables (“CCR”), LLC appreciates the opportunity to respond to the Illinois Power Agency’s (“IPA”) request for comments related to the Adjustable Block Program and high-level RPS issues.

CCR is in general agreement with the responses provided by the Joint Solar Parties (“JSP”) on the IPA’s questions on these subjects, with one exception regarding the Adjustable Block Program and one clarification regarding the RPS. We provide our view on these points below.

In re: Adjustable Block Program

3. What considerations should be made when redistributing uncontracted capacity at the end of a delivery year? Should waitlists be pure first-come first-served or some other process?

Cypress Creek Response

We agree with the JSP in that waitlists should be cleared on a first-come, first-served approach. We further agree with the JSP that “in the likely circumstance that batches (if the projects are batched at application) or projects enter the waitlist at the same time, they should be placed ordinally on the waitlist based on the date and time of their application.”¹

Where Cypress Creek Renewables differs in perspective is on how the IPA should set ordinality for projects on the waitlist seeking reallocated capacity. The JSP asserts that “the IPA should organize the waitlist based on the later of the date of the interconnection agreement and the land-use permit (the Joint Solar Parties note that some evidence of site control is required for interconnection applications pursuant to 83 Ill. Admin. Code 466.60(f)).”²

Cypress Creek disagrees with this approach. Instead of the above, the IPA should adopt the approach used in New York and base the waitlist on the date of Interconnection Agreement (IA) execution as a proxy for queue position, which would reduce (though not necessarily eliminates) the scenarios where a system behind-in-queue is selected but a system earlier in queue is not. This approach will also ease administrative burden for those running the program, as projects with Interconnection Agreement secured will have made their deposit for interconnection upgrades, leading to fewer speculative projects being selected and waitlists being adjudicated more quickly.

¹ *Comments of the Joint Solar Parties to the Illinois Power Agency in re: the Adjustable Block Program*, p. 3. December 3, 2021.

² *Id.*

The IA date is a more appropriate timestamp for determining ordinality than date of land-use permit in that IAs are the most indicative milestone in the project development lifecycle for the point at which capital is effectively committed, as assets are nearly fully de-risked in proceeding to construction at this point (once off-take is secured in the form of a REC contract). On the contrary, the date at which land use permits are obtained is a less consistent and less uniform indicator of project maturity, as permit review criteria and approval processes vary widely by county throughout the state. Furthermore, all projects on the waitlist will have both land use permits and IA in hand, thus the relative date at which the land use permit was obtained is not indicative of one project being more “shovel ready” than any other on the waitlist.

In re: high level RPS

1. Given the statutory guidance to maximize expenditures regardless of whether targets are exceeded, how can the Agency best balance maintaining the integrity of planned, transparent, and well-defined market opportunity information (such as a block size or maximum procurement quantity) with this need to ensure that the RPS “budget is exhausted”?

Cypress Creek Response

Cypress Creek concurs with the JSP response and acknowledges the real risks identified in the JSP response to this question; however, we would add the following for clarity:

Regarding a transparent and well-defined market opportunity, Cypress Creek recommends IPA establish a procurement baseline (e.g., equal to a pro-rated amount that achieves the statutorily identified 45 million minimum) and then procure RECs in excess of that to the extent that it can in each Delivery Year. This will create a stable baseline of RECs to be procured annually (~3.5 – 4.0 million), creating the market signal intended by statute.

With the budgetary and cash flow flexibility created by section 16-108(k), whereby the IPA has a long lead time due to energization timelines to observe deviations from original forecasts (e.g., IREC prices; energization rates; attrition; etc.), IPA will have the space and information to adjust future procurements according to observed market conditions to maximize their REC purchases, and therefore climate and ratepayer benefits.