



Sunrise Energy Ventures, LLC (“SEV”) would like to thank the Illinois Power Agency (“IPA”) and Incline for giving us the opportunity to submit the following comments regarding the upcoming Long-Term Renewable Resources Procurement Plan (“LTRRPP”).

Community Solar Managing Waitlists

After reviewing the Draft Revised LTRRPP (8-15-19), SEV recommends the IPA adopt one of the following guiding principles to manage the waitlist—past precedent or project viability. If administered fairly and defined properly, SEV can see the benefit of each. More specifically, SEV proposes the IPA adopt one of the two “implementable approaches” described below:

Past Precedent

Approach: *When a block (or blocks) of capacity becomes known, the IPA should run a new lottery (or lotteries) until the waitlisted projects have either terminated from non-compliance or been awarded a contract. Using this approach, the same rules/procedures from the previous lottery would apply.*

There are several reasons why this approach would be fair and sensible for the IPA to adopt. As with any approach based on precedent, the rules and procedures for the lottery already exist and developers already understand and accept the risks. When compared to the alternative approach of going down the current ordinal ranking to award new contracts, this approach embodies more fairness and transparency. In the wake of the lottery, mistakes were acknowledged, and concerns were raised about its legitimacy. It is well documented that SEV and the IPA disagree on the substance that make up these concerns. However, it is fair to say, the IPA has gained significant experience and knowledge through this process. As with any inaugural process, there may be some minor modifications made by the administrator in future processes. The experience gained by the IPA would help inform future lotteries, so they run more smoothly and with maximum transparency.

The IPA should process applications that participated in the original lottery before it processes new applications. The project developers that spent millions of dollars and exhausted resources in Illinois to make the program a success should be rewarded for these early efforts. They are also more likely to be sophisticated developers that own viable, mature projects and would be able to deliver RECs quicker than new projects. This lottery procedure should take place every time a new budget is set for the community solar blocks.

Project Viability

Approach: *Reorder waitlisted projects based on feeder queue position with interconnection costs being the tie breaker. This is an objective and implementable approach to determining project viability.*



In the Draft Revised LTRPP (8-15-19) the IPA describes waitlist management ideas proposed through public comments. One idea mentioned was to use interconnection agreement execution dates as an indicator for project maturity. SEV agrees with the IPA that the original Interconnection Agreement date does not necessarily lead to favoring more mature projects. Further, project maturity is effectively a defined concept already. The IPA determined in the program guidelines what level of maturity was adequate to participate in the program—proof of site control, the presence of a signed interconnection agreement, and the acquisition of all non-ministerial permits. Changing that definition after developers relied on it at considerable expense would be unnecessary. As opposed to a project *maturity* criterion, SEV proposes a project *viability* criterion [*emphasis added*].

Projects are most viable when their interconnection costs are known and economical. The IPA could reorder the waitlisted projects by feeder queue position. Projects that are first in the feeder queue will be at the top of the waitlist because their interconnection costs are not dependent on other projects ahead of it in the queue. Their interconnection costs are known and actionable. If there is not enough in the budget to accept all the projects that are first in the feeder queue, then projects with the lowest interconnection costs should be selected. Lower interconnection cost is a reasonable tiebreaker because it is a good indicator of project viability. As an example, if the budget calls for 10 projects and there are 15 projects that hold the #1 position on the feeder, then the 10 projects that are both first in the feeder queue and have the lowest interconnection costs would be accepted.

This approach would reward sophisticated developers that developed mature and viable projects. Developers seek projects that will be first in the feeder queue because they won't be dependent on unknown projects ahead of them in the queue, and their interconnection costs are likely to be less. Sophisticated developers are also more likely to develop projects with lower interconnection costs, because they are specifically seeking site locations adjacent to substations and robust utility lines that can handle their power. The developers that were successful in doing this, especially in such a highly competitive marketplace, should be rewarded. It should also be noted, if the most viable projects rise to the top of the ordinal ranking the IPA would be ensuring the projects that can deliver RECs the quickest are the ones that are awarded contracts first. Lastly, for the reasons listed above in the "Past Precedent" approach, the IPA should process applications that were eligible for the original lottery before they begin processing new applications. This approach offers an objective set of criteria that we believe is an implementable approach.