



Sept 24, 2019
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Re: 2019 Long-Term Renewable Resources Procurement Draft Plan Comments

Trajectory Energy Partners appreciates the opportunity to provide comments on the 2019 Long-Term Renewable Resources Procurement Draft Plan released for review on August 15, 2019 (the "Draft LTRRPP"). Trajectory Energy Partners has comments and suggestions on the following items:

6.3.3. Managing Waitlists

Many commenters have suggested that the IPA implement a new set of project readiness criteria in order to either clear and re-order the waitlist or to select new projects for the ABP waitlist. The Draft LTRRPP rejected these suggestions as either speculative regarding a project's readiness or else applying criteria to projects which were not known by developers at the time of initial submission. Trajectory proposes a waitlist updating process that will a) maintain the current waitlist ordering, b) remove projects which are no longer viable, and c) rely on information and requirements already known by developers at the original time of application.

Developers may already know that they are not going to move forward with projects or have not maintained the viability of those projects, but will not preemptively remove themselves from the waitlist. There are many good reasons to update the waitlist and allow projects that will not move forward to drop from the waitlist. Other developers are making determinations about their own projects, and in particular will be aided by understanding what projects are still potentially viable on a given circuit.

Recommendation: The IPA should remove projects from the waitlist that no longer meet site control or non-ministerial permit requirements. Developers should provide annual attestations as part of Approved Vendor's Annual Reports. Projects which cannot attest to continued site control or non-ministerial permits should be removed from the waitlist.

There is currently no mechanism to enforce two of the key existing project readiness criteria already adopted by the IPA: site control and non-ministerial permits. Every lease option signed by a landowner has an expiration date, often giving a developer three to five years to

execute the lease once they are ready to begin construction of a project, and requiring annual payments to landowners to maintain the option. It is very likely that developers have ceased maintaining these option payments for certain projects which they deem unlikely to move forward. There are a number of reasons developers may abandon a lease: new environmental diligence findings that render the project unbuildable, a determination that the substation capacity or upgrade costs will be untenable based on other projects moving forward on the queue, or even an unfavorable lottery result. In these cases, a developer may cease paying their option payments, or let the option expire under its terms, and thus lose site control.

As part of the ABP application process, developers have provided the IPA with the underlying leases required to demonstrate site control. The IPA already has the information necessary to determine whether a lease is active or has terminated. Compliance could be implemented in connection with the existing Annual Report process, with Approved Vendors indicating which of their waitlisted projects have maintained site control through the date of the Annual Report and submitting an attestation as well as evidence that the option or lease payment has been made. Projects which have not maintained site control should be removed from the waitlist

Similarly, many projects have Special Use Permits or Conditional Use Permits with expiration dates. If a developer has not maintained the validity of these non-ministerial permits for a project, the project is no longer in compliance with ABP requirements. As part of the Annual Report process, developers should be asked to reaffirm and attest to the validity of their non-ministerial permits, and to submit proof if the project is in a jurisdiction that requires such a non-ministerial permit. If a developer cannot attest as much for a project, that project should be removed from the waitlist.

8.6.2. Low-Income Community Solar Project Initiative

The draft plan includes the following proposal:

In order to encourage projects that have deep community connections, the Agency proposes that the separately-developed project selection protocol for the 2020-2021 and 2021-2022 program years (see Section 8.12.2) be updated to reflect the following prioritization in project selection:

- Projects without an anchor tenant (to maximize low-income subscriber participation);
- Projects for which the anchor tenant is a non-profit or public facility critical service provider and also the project host;
- Projects for which the anchor tenant is a non-profit or public facility that is not a critical service provider and is also the project host;



- Projects for which the anchor tenant is a non-profit or public facility critical service provider but not the project host;
- Projects for which the anchor tenant is a non-profit or public facility that is not a critical service provider but not the project host;
- Projects for which the anchor tenant is not a non-profit or public facility.

To qualify for any preference in project selection for a project with an anchor tenant, the anchor tenant subscription must be at least 20% of the project size (and, by law, may not be more than 40%).

Trajectory supports the intent of the proposal to prioritize low-income community solar projects with deep community connections. In addition, Trajectory agrees that prioritizing projects with anchor subscribers and site hosts that are critical service providing non-profits or public sector entities can increase community connections. In our experience, having a public sector or non-profit site host in particular can have a strong impact on community connections, improving the ability of a project to reach those community members who can benefit most from participation. However, as written, the proposed prioritization will lead to selected low-income community solar projects with fewer community connections than the project selection protocol used for the 2018-2019 and 2019-2020 procurements. From a practical perspective, given the limited budget, only projects fitting the top prioritized category are likely to be selected. This occurred in the 2018-2019 procurement, where the two largest projects selected utilized 94% of the available budget all had the top prioritized characteristics (located in EJ census block, low-income census block, and having non-profit or public sector anchor subscriber).

As written, the proposed prioritization will likely lead to the vast majority of the budget being utilized by projects with the top prioritized characteristic: Projects without an anchor tenant. While Trajectory supports the prioritization of projects that serve more low-income subscribers, any project selected simply because it has no anchor subscriber will have less incentive to build deep community connections than projects in the 2018-19 and 2019-2020 procurements had. Other than prioritizing specific types of site hosts and anchor subscribers, there is nothing in the project selection criteria or program rules that incentivize a developer to build deep community connections or focus subscriptions near the project site.

Trajectory proposes two simple updates to the proposed prioritization to rectify this, and prioritize both the benefits of more low-income subscribers served by projects and projects having a site host and anchor subscriber that will incentivize deepened community connections:



1. Remove the top category: Projects without an anchor tenant.
2. Lower the requirement that anchor subscribers utilize a minimum of 20% of the project capacity to a minimum of 10% of capacity. The ILSFA approved vendor manual states that an anchor subscriber is defined at the account level. Many critical service providers such as housing authorities have scattered sites, and multiple accounts with the utility. Requiring a minimum capacity of 20% both eliminates the possibility for some important critical services providers to serve as anchor subscribers, and also moves capacity from low-income residents to anchor subscribers. Reducing the requirement to 10% will allow wider options for anchor subscribers that serve scattered participants, as well as allowing more project capacity for low-income residential subscribers, and better achieve this goal of the Draft LTRRPP.