

IPA,

Please see the following thoughts and considerations in response to the Agency's request for comments to the LTRRPP.

**A. 2. Utility-held Alternative Compliance Payments. a)**

We are supportive of the approach proposed and would suggest that prioritization for such funds ought to be directed towards funding additional capacity for the Adjustable Block Program, and specifically for the Community Solar segments in both ComEd and Ameren provided that it would serve as the quickest way to increase both IOUs fulfillment of REC targets and broaden access to affordable, clean energy to Illinois ratepayers across the state given the queue of waitlisted projects. Additional priority should be given toward funding capacity expansions in the brownfield solar procurement given that these projects often carry a cost premium over projects sited on cleared, farmland, but have the benefit of locating solar resources closer to load in the urban areas, allay development pressure on prime farmland, and transform blighted areas with minimal alternative development uses into valuable distributed energy resources.

**C. 3. REC Pricing**

Current REC pricing and the anticipated 4% declines seem appropriate and functional. The current rates also encourage a successful launch of community solar in Illinois by allowing for projects to offer significant customer savings in a competitive retail energy market that does not allow offset of distribution and transmission rates. The model should be revisited upon occurrence of other influential external factors affecting solar project economics to ensure that the 4% decrease and REC valuation trend does not incidentally exacerbate such impacts. Such factors may include: revaluation of Smart Inverter Rebate, drop down in Investment Tax Credit rates (30% (2019)->26% (2020)->22% (2021)->10% (2022 and beyond)), and imposition of tariffs on key solar componentry, among others.

**C. 4. Project Application Requirements**

With the current waitlist, we feel it is a bit late to change the rules of the program, but upon clearing of that waitlist, we would propose that for future submissions of new projects into the ABP community solar program that deposits be made upon execution of interconnection agreements so as to ensure that only the most strategically located projects with reasonable upgrade estimates participate in the program. Given the existence of the substantial waitlist, we propose that projects only be allowed to reapply to the utility for interconnection upon notice of award of a REC contract due to their order in the IPA waitlist.

**D. 1. Waitlist**

At this stage and with an initial lottery already having been deployed and a waitlist put in place, we feel it is too late to change the rules of the game. Many business decisions were made based on information released in the run up to the program opening. We support maintaining the current waitlist for future block expansions and recommend that the IPA waitlist and subsequent notice of REC award also govern reapplication of community solar projects to the respective IOU for interconnection.

We also consider that other ideas for project selection like special qualifiers tied to project size, geographic location, or demographic diversity would not be appropriate at this time. Due to the ability of customers to subscribe to projects anywhere in their utility territory, rate payers are not being neglected in one region over another.

While we would benefit from a criteria to increase Approved Vendor diversity among awarded projects given our lack of luck in the first round, we do not think that it would be practical to implement now although such a mechanism could have been wise to ensure better distribution in the original lottery.

If a requirement is made to prefer projects that use pollinator friendly seed mixes for vegetative ground cover, then it could be expected that, similar to the higher priced REC for small subscriber levels, all projects will commit to it. Many are already intending to do so whether by best practice choice or because of local preference noted during special permit approval.

At this time and with such a significant waitlist, we would recommend to the Agency not to accept new applications to the ABP community solar program until substantial progress is made in awarding or reducing the current list. If a policy objective becomes to rapidly reduce the waitlist, then a proposal could be to allow projects to resubmit for interconnection application to the IOUs in the order of their waitlist number, receive new interconnection estimates, and post a security to maintain their place in the interconnection queue and also in the IPA waitlist. Projects that are not willing to pay for new applications, receive cost prohibitive estimates, or are otherwise unwilling to post a refundable deposit with the utility (25%) within a fixed time period of receiving an executable ISA, could then be cleared of the IPA waitlist and not be eligible for REC award under block expansion. For such a process, in part to help expedite, projects should be informed ahead of their time to resubmit for interconnection what the feeder and substation queue looks like prior to paying for a new application. There should be a window between eligibility to resubmit and a final deadline (~15 business days), in order to allow quick progression down the waitlist.

#### **D. 2. Small Subscriber Adder**

Increasing the participation of residential and small subscribers in a community solar array is more costly to a project's financing, development timeline, and ongoing management than allowing substantial shares of larger corporate and municipal subscriptions; thus, higher levels of smaller customers should garner higher REC values in order to incentivize fulfilling the policy objective and spirit of community solar access.

The near universal selection of the small subscriber commitment (50%) was not unexpected given that the small subscriber commitment ensured developers the highest chance of selection in a very crowded lottery. Additionally, projects become more valuable with the highest REC the project can capture.

If the IPA wanted to have diversified the number of community solar projects soliciting for lower priced RECs with lower small subscriber amounts, then they could have not provided preferential awards or eligible capacity to those electing higher small subscriber commitments. Under such a scenario, some projects, especially those developed by integrated developer-owner-operators, may have elected a lower value REC adder with the intention to attract two larger offtake subscriptions with a more modest small subscriber component.

Thank you,

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