

2019 Long-Term Renewable Resources Procurement Plan Update Request for Comments

A5. If a competitive procurement conducted by the Agency fails to meet its targeted procurement quantity (such as occurred in November of 2018 for the IPA Brownfield Site PV RFP), it would be important to understand why such failure occurred. Although it is understood that the IPA cannot disclose the benchmark REC price that was apparently not met by any bidder, it would be extremely helpful to understand the difference (in terms of % would suffice) between this benchmark price and the lowest bid received. It would seem that a minimum procurement quantity could not be mandated, since the established budget for this allocation is tied to the aforementioned benchmark price. However, a new procurement should be expedited (taking into account the previous bids received, to establish a new benchmark price) given that many of these projects in development are in late stages of the interconnection process with Ameren or ComEd and consequently need to execute interconnection agreements or risk being dropped from the queue. Perhaps another component of this would be to allow for extensions to the required execution dates for such interconnection agreements for projects that are targeting the Brownfield RFP and, if no RECs are awarded (as occurred in the Brownfield Site PV RFP last November) or even less than 100% of the allocated RECs are awarded, the extensions could be granted for these solar-on-brownfield projects to align with the next such procurement event.

A7. The current level of site control seems appropriate. Any additional requirements seem overly onerous considering the low likelihood of gaining RECs and the high amount of development costs that can go into these projects. An interconnection agreement should not be required as the timeframe to obtain this can be prohibitive and costly. Instead, proof of having submitted an interconnection application and having received an initial report with a cost estimate should be required. This reduces the application fees that must be paid to the utility, but still shows a developer has begun the process and provides the developer with an interconnection estimate so they can judge whether the project is feasible or not.

B1. Illinois Solar for All funding should be increased. The project is vastly oversubscribed and developers have invested a considerable amount of time, effort, and money into these developments. The limitation of the budgets will cause projects to be waitlisted, until they can get into future years. This will hinder the project economics as the ITC steps down. Instead, more funding should be used up-front to deal with the capacity issue. While this would shorten the length of time the funds from the RERF are available, it will most likely not largely impact which projects move forward as the waitlisted projects are to be given preference in future years.

B3. No changes should be made. Large amounts of applications don't mean there is too much of an incentive. Public entities are often ideal for solar because they tend to stay in the current buildings and not require a quick payment. These incentives need to be higher than typical DG because they will most likely need to obtain solar through a PPA agreement which can be more expensive than if the entity owned the system themselves. Even though someone is taking advantage of the tax benefits, these benefits are needed to make these projects feasible.

B4. The anchor tenant requirements are appropriate as is. Requiring the anchor tenant to be hosts could result in anchor tenants who cannot utilize the full 40% of the capacity of the system, unfairly burdening those systems with additional administrative costs over the life of the system. Additionally, some hosts

want to promote solar and provide the land but are not interested/ not able to participate in the program due to other commitments. Hosts may also have utility rates that are so low as to make being an offtaker infeasible, but still want to promote the project in their community. The anchor tenant requirements should not be changed.

B5. The issue lies not with the process of initial openings and then open enrollment. That process helps ease the initial rush and works well. The issue is that there is not sufficient funding in these programs. Developers would be motivated to keep the pipelines full if the IPA was able to commit to certain funding levels and funding dates well into the future.

C1. The Agency should consider a set aside for Cook County. Cook County has 40% of the state's population, the largest need for jobs and is currently very underserved by solar based on geographies of awarded REC contracts, especially community solar contracts.

C3. IPA should revise the REC pricing model. With the Federal ITC sunset, project economics are becoming more difficult and REC prices should increase to offset reductions in the ITC. Prices for materials and installation are not dropping to justify the 4% decrease in each block.

C4. While interconnection is a huge factor in the viability of projects, the signed agreement is especially onerous in terms of time and cost to a developer. A more reasonable requirement would be a copy of an interconnection report that lists the interconnection estimate. This will ensure that developers have a clear picture of what will be involved to connect without an extremely drawn out and expensive process that makes participation difficult. Non-ministerial permits seem clear in that they appear to be all subjective permits. For example, special use permits would be included as they can be rejected based on a decision by a committee. However, building permits are not as they are based on a predefined set of rules, which if followed, will result in an approved permit.

C6. The collateral requirements should be maintained as is.

C7. An interim collateral would be a reasonable requirement for the period before execution for those projects who are awarded the block they applied for. Projects who are pushed into lower blocks with lower REC prices, should not be held to a collateral because their project may not work at the lower REC price.

D1. The IPA should prioritize projects based on a level of committed MBE/WBE percentages including developers who commit to using MBE/WBE firms, not just those who have those designations to truly focus on workforce development. Additional preference should be given to underserved geographic markets, such as Cook County, to ensure all of Illinois is able to equitably benefit from these programs. A suggestion on the stakeholder discussions was made to have developers pay to keep their projects in the waitlist. This should absolutely not occur as developers have already invested a considerable amount of money into these projects which very well may not move forward due to oversubscription. Asking them to invest more to meet additional requirements is onerous and may push out small developers.

D2. The small subscriber adder should be maintained as is. The nearly universal commitment to at least 50% small subscribers is not due to an overly generous adder. Rather, it is due to the awareness that over 50% was needed to increase the chances of obtaining a project in the lottery and due to the fact



that these adders are needed to make the project financially viable. Many of the projects cannot work without these adders, so developers are being forced into small subscribers just to make their base projects work. If the adder was to be lowered, the base REC price would need to be raised.