Borrego Solar Systems, Inc. appreciates the opportunity to submit the following comments to the Illinois Power Agency and InClime. We support the comments submitted by the Joint Solar Parties (JSP) and the Coalition for Community Solar Access (CCSA) and submit these as additional, supportive comments.

ABP

1. **Geographic Diversity**. Does the current grouping of projects into either Group A or Group B (Group A for projects located in the service territories of Ameren Illinois, Mt. Carmel, MidAmerican, and rural electric cooperatives and municipal utilities located in MISO; Group B for projects located in the service territories of ComEd, and rural electric cooperatives and municipal utilities located in PJM) ensure sufficient geographic diversity of distributed generation projects? (Question D.1 below addresses community solar projects.) Should the Agency consider other geographic considerations, and if so, should the Agency limit the acceptance of projects from specific areas to help ensure the availability of capacity for projects in underserved areas?

   Borrego believes that forced geographic diversity is unnecessary and could ultimately backfire. Our comments here focus generally on the commercial and industrial (C&I) behind-the-meter market but can also be applied to the community solar market. As a solar developer, we will work with any customer that is willing and interested in putting solar on their property, but ultimately, we can't force any customer in any specific geography to move forward. The process of moving from an interested C&I customer to a project ready for submission into the ABP can take many months, and along the way the project can die for many reasons - interconnection, economics, board approval, permitting, etc. - most of which have nothing to do with geography. Solar developers in the C&I space are continuing to work with willing customers, even as the blocks fill up, in anticipation of future blocks. To force geographic restrictions on these categories would mean those projects, and all the work behind them, could be for naught. Further, if there are geographic limitations - not adders to incentivize certain projects but limitations as to which projects will be accepted into the program - it sets up a situation where the customer has unbalanced leverage over the relationship. Ultimately that could force many projects into an uneconomic situation for the developer and could stall the program in its entirety.

2. **Project Application Requirements**. The Agency is interested in additional feedback on its project application requirements. For instance, should there be any additional flexibility to the requirement for a signed interconnection agreement as a demonstration of project maturity, or flexibility to what is submitted for shading studies? How can the Agency best clarify the requirement for the scope of non-ministerial permits? Are there other approaches to project maturity that should be considered?

   Borrego supports the statements made by the JSP and CCSA and wants to reiterate the need for high barriers to entry. We are strong supporters of the need for an interconnection agreement, a lease and all non-ministerial permits, at a minimum, to enter the program. However, even these barriers did not entirely stop speculation in the community solar space, and we would advocate for even higher barriers moving forward. One such barrier is a significant upfront bid deposit. We believe this requirement will

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help limit speculation, particularly in areas where non-ministerial permits are minimal or in areas of high or unknown interconnection congestion. We suggest the bid deposit be held until the project signs a REC contract, at which point a non-refundable collateral payment would be made. At minimum this should be required of new projects. Borrego would also support requiring a bid deposit for projects to remain in the waitlist once it is reordered (more on that below). Alternatively, the IPA could require Approved Vendors to agree to sign the contract for each project that they want to remain in the reordered waitlist and make the collateral for those projects non-refundable. We understand this is a different set of expectations than those that were presented when projects on the waitlist originally entered the program and it could be viewed as unfair to change the terms mid-stream. We suggest the IPA continue working with developers with projects on the waitlist to set up the terms and conditions that will move forward the viable projects and ultimately limit post-contract attrition.

We fully support the recommendations by the JSP and CCSA to prioritize projects on the waitlist first by project readiness, not by the current ordinal ranking. Specifically, we believe the determining factor is date by which a developer was originally eligible to sign and execute the interconnection agreement but for the waiver. We discuss this in more detail in the community solar section below.

The interconnection agreement is complicated, but it is a key piece of the puzzle when determining maturity and viability, and we believe that moving forward there will be more clarity around real interconnection costs. We will be advocating for minimum criteria for participation in the interconnection queue - not something currently required - as a way to better align the interconnection queue with the ABP. We recognize that the interconnection queue is not something the IPA has control over, but we believe the IPA would be supportive of these suggestions.

We do request the IPA keep a running list of permits it has deemed ministerial and non-ministerial on the program website, and we suggest the IPA remove the commercially reasonable language. What may be commercially reasonable to one Approved Vendor may not be to another and could disrupt the level playing field.

4. **Contract non-execution/collateral non-payment**. Once a batch has been approved by the Illinois Commerce Commission, how should the updated Plan define the obligations of the Approved Vendor for executing the resulting contract or product order and posting required collateral? What penalties should apply for non-execution? Should some interim collateral apply to the period before execution and/or the posting of full collateral under the contract? Alternatively, should an exit payment be allowed prior to execution or prior to posting full collateral? If so, at what level? Are there circumstances for which exceptions should be made allowing for non-execution or project removal without program or contractual consequences? If so, under what circumstances?

   Borrego believes in high barriers to entry, including bid deposits, and penalties for non-compliance. As mentioned in the previous questions, for new projects we support a pre-bid deposit and a non-refundable collateral payment. Such a requirement would help ensure that only truly viable projects are submitted and would largely render moot the

decision of whether or not to sign the contract, and whether or not to post collateral. There may be circumstances where a viable project still needs to drop out, but the penalties should be clear and firmly enforced, and any subjectivity removed from the process.

For existing projects, we would support a requirement that to remain on the reordered waitlist the project submits either a pre-bid deposit or an affirmation that the Approved Vendor will sign the contract once presented with it and put down a non-refundable collateral payment. We believe that this and other tactics may be a way to winnow the waitlist to truly viable projects. We understand that the projects currently on the waitlist are operating under a certain understanding of the collateral requirements and it could be unfair to change the terms mid-stream. We suggest the IPA continue working with developers with projects on the waitlist to set up the terms and conditions that will move forward the viable projects and ultimately limit post-contract attrition.

Community Solar,

1. **Waitlist**. Should the IPA continue to maintain the current Adjustable Block Program community solar waitlist approach, or make changes to (1) how projects are selected for existing blocks if currently approved projects drop out of development, or (2) how projects are selected if the Agency is able to open new blocks of capacity? For either, or both of these cases, what policy factors should be considered when making changes? For example: increasing project size diversity, geographic diversity, demographic diversity, or Approved Vendor diversity; increasing community engagement or involvement in community solar projects; or adoption of pollinator-friendly habitats or other more environmentally beneficial development. What can the Agency adjust to accommodate new project applications in light of the long waitlists?

   As mentioned above, Borrego supports the concept of prioritizing projects on the waitlist but not in the current ordinal rank. The ordinal rank is a randomly generated list that doesn't help prioritize projects that are/were more ready to move forward than others. But throwing out the pool of projects that were eligible for the lottery and starting over is also unrealistic. Solar developers have spent a lot of time and money developing these projects and it is unrealistic to think that new projects would be more ready, and therefore quicker to deliver RECs, than already developed projects. New projects should not be barred from applying to the program but should be prioritized after waitlist projects.

   We suggest the IPA reorder projects on the waitlist using project readiness as the criteria. By project readiness we mean the date the developer was originally eligible to sign and execute the ISA but for the waiver is used to determine readiness. This would ensure that projects that were originally high up in the interconnection queue regain that prioritization. We recognize that this will likely require another waiver to the interconnection rules to allow those projects to regain their position. A tie breaker would be the date by which the projects received their non-ministerial permits. Borrego believes that these dates are objective, transparent criteria.

At this point we do not support the use of subjective criteria because there are only subjective reasons as to why one set of criteria is better than the other, and it changes the rules of the game midstream for developers. There is no objective reason a smaller community solar project is better than a larger community solar project, for example. We believe granular subjectivity could disrupt the primary goal of the statute, which is to purchase RECs in an efficient manner. From a development perspective, community solar developers cannot force property owners to sell or lease their property in certain locations or sizes, just as we cannot force behind-the-meter customers in a certain location to buy a system. Borrego worked with property owners in a diversity of locations - and in fact we have some projects in urban areas - but in other urban areas the landowners we did find willing to even discuss a lease balked at the necessary terms. Subjective criteria needs a long lead time to be incorporated into the development process, and can also affect the economics of a project, and we therefore do not support it without additional direction from the statute.