



MEMORANDUM

To: Illinois Power Agency

From: Central Road Energy, LLC

Date: October 16, 2018

Subject: Lottery Program Comments – Request for Follow-Up Comments

This memorandum provides comments on the IPA's October 5, 2018 Request for Follow-Up Comments on the Adjustable Block Program (ABP) Block 1 Lottery.

Project Substitution/Reallocation

We support the IPA's clarification and proposals for project substitution/reallocation but reiterate our previous suggestions for requirements that we feel address some of the unintended consequences of this proposal:

- Any project to which a REC contract is being reallocated must meet or exceed the requirements of the AIMA and the project must meet the most current zoning standards and requirements of the community in which the project is located;
- To encourage geographic distribution of projects and avoid queue blocking, we suggest that any reallocations must occur within the same county that the "winning" project was located. Furthermore, project reallocations should be required to go to feeder lines that do not have any other of the Approved Vendors winning projects interconnecting on them (in other words, you shouldn't be allowed to create a co-located project through project substitution/reallocation);
- Reallocation must be required to occur to a project location that has a higher interconnect queue position than the "winning" project;

The new proposal for project substitutions beyond the one-time substitution date (including for previously-substituted projects) should be dropped. It delays project construction and causes uncertainty for other projects. If someone moves a project in front of my project on the second reallocation, that could increase my interconnect costs making my project financially untenable. We feel that by adopting the recommendations in the second bullet, many, if not all, of the concerns that additional project substitution attempts to resolve are addressed.

Synchronization of the IPA Lottery with the Utility Interconnection Queue Processes

We support the non-refundable project deposits and the restriction of projects participating in both the ABP and ILSfA program. We suggest that the IPA make clear that the project restriction may not continue beyond the initial lottery but will be re-evaluated in the next version of the LTRRPP.



We wish we had, and thus could provide, better suggestions on lottery and interconnect queue synchronization. We believe the non-refundable deposit along with the above-restricted project substitution/reallocation scheme, while not perfect, may be the best way to address the issue.

Reducing Applications from Speculative Projects

We wholeheartedly support all of the IPA's options as written. The limiting of a developer and its affiliates' applications to the maximum capacity in Blocks 1-3 is especially endorsed. However, a developer should be allowed to attain a position for their "extra" projects that meet the requirements for the ABP for Blocks 4 and beyond, if they so choose, by entering these projects in a secondary lottery. Once the IPA conducts the initial lottery and assigns a position for each project, the secondary lottery would provide the ABP position for the "extra" projects at the end of the initial lottery line.

"Grouping" of Projects into a Single Lottery Entry

We have no comment on this issue.

Transparency of Information

We support the IPA's position on this important issue. While we can imagine some limited information that may be kept private, the public is paying for the REC contracts and deserves to know, at a minimum, a projects position in the lottery, the name of the Approved Vendor for that project, and the location and size of the project. Once project switching has occurred, the final list should also be made public. We concur that project hosts should be notified that there will be a reallocation process.

Lottery Within 45 Days

We do not agree with the concept of a lottery to be held if Block 1 for a Group/category is not filled in the first 14 days, but is subsequently filled to greater than 200% in the first 45 days. Rather, the program should be conducted as first come/first served as spelled out in the approved LTRRPP.

Discretionary Capacity

We encourage the IPA to allocate discretionary capacity in a timely fashion but understand the IPA's concerns.