

October 16, 2018

**RE: Community Power Group Follow-up Comments to Adjustable Block Program
October 5th, 2018**

Community Power Group (“CPG”) appreciates the opportunity to provide follow-up comments to Adjustable Block Program October 5th, 2018. The Community Power Group provided detailed comments on the first open comment period and have made certain references to those comments herein.

A) Project Substitution/Reallocation

- 1) We agree that respondents should be able to switch winning and non-winning waitlisted projects
- 2) Yes, reallocated projects should swap lottery selection positions
- 3) We believe that projects should only be allowed to switch within an Approved Vendors owned portfolio. Allowing the switching of projects between “affiliates” opens the door to gaming the system by establishing a network of “affiliate” relationships for the sole purposes of moving golden tickets. This comment also relates to section C. Reducing Applications from Speculative Projects, in that Approved Vendors (including affiliates, etc) should be limited to a certain percent of the capacity (as discussed further in that section)
- 4) We believe that projects should only be allowed to be substituted once, and that notice of the substitution should happen almost immediately and in sequential order so that each lottery winner has the benefit of knowing if there is a project going forward that is in front of them on a particular circuit. For example, #2 in the queue line will have the benefit of knowing #1’s selection and that #3 will have the benefit of knowing #1 and #2 selection, etc, etc. Another way to do this would be to have a one-day session with all the lottery winners in which each of the winners makes their projects choices in sequential order. Perhaps as a part of this all hands meeting, the interconnection teams at the utility could be made available for any high-level conversations.

Without a strict/fast deadline for the project switching the ripple effect associated with planning for the projects further down in the queue will have demonstratively negative impact on the speed at which the program is rolled out.

B) Synchronization of the IPA Lottery with the Utility Interconnection Queue Process

- 1) We believe that projects not awarded a block position in the lottery should have to put up a “refundable” deposit to remain in the lottery queue. We believe the \$500k interconnection costs noted by Comed are way out of market. First in line interconnection costs in other utility territories for a 2MW facility range from \$50k to maximum \$150k if reverse voltage sensing equipment is needed at the substation breaker.
- 2) As noted above, we believe it is critical to have the selected (and swapped) projects available at the time at the final site selection is made and that the list should be updated real time as each lottery ticket (in sequential order) indicates its final site selection.

C) Reducing Applications from Speculative Projects

- 1) We believe that the IPA and the Adjustable Block Program Administrator comments do not adequately address the geographic diversity concerns raised in numerous of the initial comments as it relates to co-located facilities. Even in the October 5, 2018 request for comments, it is noted that there should be “equitable considerations around ensuring a balanced distribution of benefits from a state administered ratepayer-funded incentive

program”. Co-located facilities are clearly the biggest violator of this “balance distribution” of the benefits. Almost every comment throughout the entire public comment period was against co-location because of its potential to result in an oversubscribed situation. As noted in the Commissions comments and the JSP comments, the only reason co-location was permitted was to ensure the Block program was success in an undersubscribed scenario (which is clearly not the case). We believe that the second site of a co-located site should be put in the second tier of the lottery and treated the same as those projects which are not making a small subscriber commitment. Small subscribers and broad geographic participation are defined pillar’s of success of this block program. The small subscribers have both a financial incentives and separated by a tier in the lottery to promote small subscriber projects. Co-located projects should have the same two incentives. It already has a limited financial incentive to do single projects, the existing second tier of the lottery should also be used to for the second site in a co-located situation. The impacts co-location can have on geographic diversity is clear in places like Kankakee County in which there are ~40 special uses permits issued, of which many/most have two projects on one permit which means Kankakee county could have as many **65 to 80** projects in the lottery while other counties, like unincorporated Cook County, will only have **one (1)** special use permit issued at the time of the lottery. It seems that allowing co-located sites to get two lottery tickets in the first tier would heavily skew the lottery odds against counties like Cook.

- 2) We agree that limiting a developer and its affiliates applications is important to promote diversity. The following are some ideas to promote diversity:
 - a) Developers should be limited to submitting projects totaling 50% of availability of each block (which is less than the 100% as suggested in the comments)
 - b) The block program capacity could also be allocated to each county based on population and then the lottery could be rolled out by county.
- 3) We agree that only applications prior to September 10th should be permitted.
- 4) Evidence of an ability to actually solicit and enroll small subscribers is critical. Items that could be used to ensure this could include:
 - a) Actual marketing material
 - b) A customer contract that is compliance with state laws
- 5) We agree that special use permits or a letter from the permitting authority that it is allowed by right should be uploaded as a part of the application.

D) “Grouping” of Projects into a Single Lottery Entry

- 1) We disagree with the grouping concept. The IPA already took the higher costs associated with smaller projects into consideration through an increased REC price for such projects.

E) Transparency of Information

- 1) We are open to innovations on transparency, but it could get complicated. It would likely have unintended impacts like landowners trying to compete by having the lowest rent lease so that their project is the one developers switch to.

F) Discretionary Capacity

- 1) We believe the discretionary capacity should be allocated immediately. Letting the discretionary capacity linger would create confusion in the interconnection queue’s. We believe the best way to allocate the discretionary amounts would be through the percentage of oversubscription in each category for which there is an oversubscription at the end of the 14 day application period.