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## Re: ForeFront Power Reply to Request for Follow-Up Comments on Adjustable Block Program Block 1 Lottery

ForeFront Power greatly appreciates the opportunity to provide a reply to the comments submitted on the Draft Lottery Guidelines as proposed by the Illinois Power Agency and its Program Administrator. Execution of the lottery for these initial blocks will be critical for the achievement of Illinois's community solar goals, and we are honored to have been given a voice in the dialogue.

We have structured this reply to call out specific proposals made in the Request for Follow-Up Comments (in italics below) and provide our response beneath. We have limited our replies to only those proposals that we feel have the greatest bearing on program success. For all others we do not mention, we are either in support or do not oppose.

### ***IPA Proposed Clarifications and Modifications to Project Substitution***

*A new proposal to consider allowing project substitutions beyond the one-time substitution date (including for previously-substituted projects) should projects either:*

- *Receive significantly higher updated interconnection costs than included on their initial interconnection agreement (if so, what percentage higher?); or*
- *Receive an updated interconnection cost estimate above a certain threshold (if so, what is the correct interconnection cost threshold?)*

While ForeFront Power appreciates the challenges of balancing management of the interconnection queue with ensuring a fair and transparent lottery process, we do not believe this challenge will be adequately addressed by allowing for additional project substitution opportunities. We hold that a one-time project substitution should take place after all three blocks have been awarded (in our comments on discretionary capacity below we advocate for the inclusion of discretionary capacity in Block 3).

Assuming that ComEd's timeline for the interconnection restudy process holds, allowing projects the opportunity to swap after the restudy results come in could draw out program timelines and inject a significant amount of uncertainty to the decision-making process. During their Solar Forum held October 3<sup>rd</sup>, 2018, ComEd reported that it would take between 60-70 business days for revised interconnection cost

studies to be completed for each queued project. This would be in addition to an up to 10 business-day decision window for developers to choose whether or not to proceed with the restudy. ComEd also reported at this Forum that some feeders have up to 11 queued projects. If a project 11<sup>th</sup> in queue at a feeder was awarded in Block 1 but had the opportunity to drop out or swap a position upon receiving a revised study estimate, it would take up to 880 business days for the developer to receive those study results and determine whether they would preserve, swap, or withdraw their project from the incentive queue.

Timely energization of projects in the Illinois community solar market will not only ensure a satisfied customer base, but also reflect well on the general perception of program as a whole. Allowing for an additional swap opportunity beyond the initial window threatens this outcome.

### ***Integration of Queue Management and Lottery***

*The Agency is also interested in additional suggestions for how to synchronize lottery guidelines with utility interconnection queue management, but requests that any suggestions be mindful of the following constraints:*

- 1. The need for ensuring that a final list of selected projects be available within a reasonable time after the Program's opening;*
- 2. Understanding that each change in an interconnection queue may require a multi-week/month restudy of the costs of every other project on that circuit (which could result in a cascade of such processes);*
- 3. Understanding that changes in projects in the interconnection queue can both raise and lower the costs for systems further down the queue;*
- 4. Ensuring that projects that may opt not to participate in the Adjustable Block Program are not prejudiced in the interconnection process.*

ForeFront Power believes that a final list of selected projects will be a crucial item to aid developers in making informed decisions during the 7-day swap window. To the extent this is possible, we urge the IPA and Program Administrator to include not only the project, but also the substation on which it will be interconnecting so that developers can assess their own queue positions. The availability of this list should come **before** the swap window commences, and ideally its availability would be the trigger which begins the 7-day clock.

Non-critical or proprietary information associated with these projects (such as developer name, project address, landowner identity, etc.) should not be included on this list to protect the relevant parties.



Regarding the interconnection study and cost implications cited in numbers 2 and 3 above, we understand and accept these to be the possible consequences of ComEd's filed waiver to Section 466. However, to reiterate, these consequences should not trigger an extension to the swap window.

### ***Reducing Speculative Applications***

*Limiting a developer and its affiliates' applications to the maximum capacity in Blocks 1-3 of each Group.*

ForeFront Power supports such a cap as a means of reducing lottery bid volume, provided the IPA does not reduce it beyond what is already in the proposal (49.5 MW for Group A and 117 MW for Group B).

*Limiting entries into the lottery for community solar to only projects with interconnection application dates prior to the September 10<sup>th</sup> release date of the Agency's draft lottery proposal.*

ForeFront believes that this would be an effective mechanism in reducing speculative bidding, considering the suspiciously high volume of interconnection applications filed in the wake of the announcement of the project swap in the IPA Strawman proposal released on September 10<sup>th</sup> 2019. While there is the possibility that some of these applications are associated with high-quality projects, the flood of filings bespeaks a mass attempt to game the system and secure a lottery ticket with a phantom project, or one in the very early stages of development. Many developers have been active in the market since the passage of the Future Energy Jobs Act, investing significant amounts of time and working capital to ensure that their projects are ideally sited, appropriately permitted, and responsibly placed in the interconnection queue. A project eligibility cutoff could help to close a loophole for unscrupulous developers.

*Consistent with a number of comments received, requiring those community solar projects that make the small subscriber commitment to provide information at the time of application showing that those developers have a plan to actually solicit and enroll small subscribers. If in support of this concept, please provide details of the information that would be required and the method the Program Administrator would use to ensure that this plan was accurate, correct, and sufficiently robust.*

ForeFront Power supports a requirement for Approved Vendors to demonstrate the ability to serve small subscribers beyond a simple attestation made in order to secure the higher incentive value. This is an additional measure to prevent speculative bidding with projects that do not have a credible methodology for fulfilling their obligations under the REC contract.

*Requiring that projects upload a copy of any zoning permit(s) required (or attest that no zoning permit is required), as well as attesting that all other non-ministerial permits have been obtained. If in favor of requiring an upload of all ministerial permits, please detail how the Program Administrator would determine which ministerial permits are required for a given project.*



ForeFront Power supports a requirement for Approved Vendors to demonstrate that their projects have all necessary permits. This can be done by uploading the receipt of any ministerial and non-ministerial permits and/or providing an attestation that no zoning permit was. This will promote a pool of high-quality projects with a path to construction. However, we would like to ensure that these contracts are held by the IPA as confidential documents

*Requiring a signed lease or option to demonstrate host acknowledgement (and not merely a letter of intent).*

ForeFront Power supports this proposal. Projects underpinned by letters of intent are inherently higher risk than those underpinned by options to lease or actual leases. Requiring either of these contracts would be an effective quality control mechanism and ensure that the crop of winning projects has a greater probability of moving forward.

### **Lottery Within 45 Days**

*To avoid block management oversubscription issues and maintain consistency with the rationale for a lottery upon Block 1 being quickly oversubscribed, the IPA would also like to expressly provide for a lottery to also 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.*

ForeFront Power does not support holding lotteries for any Group/category beyond what would already be triggered within the first 14 days of the Block opening if there is 200% oversubscription. Allowing for two lottery trigger dates—one at 14 days, or one at 45 days—could create undue administrative burden, a flood of interconnection applications, and more cause for project delays.

We support preserving block transition structure as it is currently written in the Final Long-Term Renewable Resources Procurement Plan.

### **Discretionary Capacity**

*The Agency would welcome comments on how to allocate discretionary capacity after the lottery is conducted in a manner that would recognize the intent of the Commission Order to open new blocks promptly, but also maintains the spirit of the concept of “discretionary” to allow the Agency flexibility in managing ongoing program demand across sectors.*

ForeFront Power believes it is critical for the timing and structure of the discretionary capacity incentives to be known to all parties **before** going into the Block 1 opening on January 15<sup>th</sup>. Understanding what incentive capacity will remain after Blocks 1-3 are subscribed will influence developer decision-making on several key areas, including what projects to bid and how to assess queue positions in the aftermath of the lottery. If there is no foreknowledge of how discretionary capacity will be allocated and when, developers could sit in queue, paying whatever associated costs (e.g. an interconnection deposit or bid collateral) in hopes that they could monetize that position if



and when a follow-on round of incentives launches. If all parties have perfect knowledge of how many incentives are available and when they will be allocated, then there will be less game-theory calculus and squatting, and a more orderly shakeout of the interconnection queue.

ForeFront Power submits the following recommendations for treatment of the discretionary capacity:

- In both utility territories, community solar projects far outweigh behind-the-meter projects. We therefore advise that the majority, if not all, of discretionary capacity be allocated to community solar projects. If the IPA would like to preserve some allocation for behind the meter, we recommend no more than 20% of the 25% discretionary holdback (i.e. 5%).
- The discretionary capacity allocated to community solar should be tacked on as additional capacity in Block 3, or as a Block 4 with the concomitant 4% stepdown in REC value from Block 3. We recommend the same 14-day opening period apply to Block 4 as it does in the other Blocks.

Respectfully Submitted,

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