



Geronimo Energy Response to InClime Request for Follow-up Comments on Adjustable Block Program Block 1 Lottery Strawman Proposal

October 17, 2018

On September 10, 2018, the Illinois Power Agency (“IPA”) released a Block 1 Lottery IPA Strawman Proposal (“Proposal”). On October 5, 2018, the IPA and the IPA Adjustable Block Program (“ABP”) Administrator (“InClime”) released proposed updates to the initial Strawman proposal and requested additional written feedback from stakeholders on the Proposal. Geronimo Energy is pleased to submit the following additional comments.

Geronimo Energy is a renewable energy developer, owner, and operator with 2,000 MW of successful experience and is currently active in the Illinois market with both utility-scale and distributed generation development assets in various stages of development and construction.

Due to the anticipated demand for the Adjustable Block Program for Community Solar, Geronimo believes that a lottery will indeed be necessary, and the process must be carefully structured to ensure that the only projects that enter the lottery are qualified projects and projects that the developer is willing to build. In general, Geronimo believes that the IPA’s proposed process for determining the need for the lottery as well as lottery process itself are reasonable and will result in fair and impartial selection of those projects that will receive Block 1 pricing. However, Geronimo is concerned that other parts of the Strawman Proposal could result in the entire ABP process being confusing, unworkable and causing potential damage to communities and developers.

Topic 1: Substitution/Reallocation

Geronimo Energy would like to reemphasize its position that the substitution and reallocation of projects after the lottery is detrimental to the ABP. Allowing a second round of switching after interconnection estimates are provided further complicates the lottery process. More significantly, a second round of substitutions will severely negatively impact the utilities’ ability to restudy the interconnection queues in a timely manner, delaying an already potentially lengthy process. It will easily take weeks, and often months, for lottery winners to learn their actual interconnection costs and whether they have an economically viable projects. At that point, they may or may not know whether other projects would be more economic to develop, as the restudies will take place one at a time. It is also possible that, based on recent proposals on how to handle the interconnection queue, the restudy process will not accommodate further substitution, as certain queue position may need to commit to at-risk deposits in order to preserve queue positions.

In addition, substitution and reallocation encourage gaming by developers and submission of projects that are not viable. This risk is significant enough that projects will not be able to be completed in 2019, thereby putting at risk REC targets set by FEJA.

Topic 2: Synchronization of the IPA Lottery with Utility Interconnection Queue Process

As the IPA and InClimate point out in this section, there are several risks to the program under the current proposal:

1. Projects are not selected in a timely manner after Program's opening
2. Each change in the interconnection queue will require a multi-week/month restudy process.
3. Interconnection costs can vary as projects switch position in the interconnection queue.

These are very serious risks to the ABP that can be completely mitigated by removing entirely project substitution and reallocation. This would greatly streamline and simplify the entire lottery and contract process and result in better projects being built sooner.

The IPA has suggested that if a project elects not to move forward upon being presented an interconnection estimate, that it still be allowed to retain its lottery queue position. Geronimo Energy believes this is another unnecessary complication to the process. If a project declines to execute its interconnection agreement, it is no longer meeting the conditions of the LTRRPP program and should be dropped from the program. It should not be allowed to remain in the queue or become a substitute project. It is, of course, welcome to reapply for interconnection as an entirely new project.

Topic 3: Reducing Applications from Speculative Projects

Geronimo is not supportive of a cutoff date for interconnect applications. The utilities should be clear when the last date is that they can still accept a Level 4 or Level 2 study and still meet the January 15th deadline, but this is not a portion of the process that the IPA should be managing. An arbitrary cutoff date harms developers that have been working closely with the utility prior to submitting an application and who understood they had more time than the September 10th cutoff date proposed. Additionally, there is no evidence that "speculative projects" were not filed prior to the September date as well as after. Absent some kind of at-risk financial commitment for submitting a project to the lottery, it is highly likely that a number of speculative projects will remain in the process and will serve solely to increase the chances of the owner to obtain a contract on any of its viable projects.

Geronimo is not supportive of requiring developers to submit a plan disclosing marketing strategies to solicit small subscribers. This is proprietary information, and the program administrator will be hard pressed to evaluate viability of one marketing plan over another. The penalty for not having sufficient small subscribers is already clearly spelled out in the LTRRPP.

Geronimo fully supports applicants to the ABP program being required to submit documentation verifying they have complied with the requirements of the program: site control, non-ministerial permits, and an interconnection agreement. These are important measurements of the viability and maturity of the project. For clarity, it is our position that for the site control requirement applicants

should be required to submit a fully executed lease or purchase agreement. It is our position that for the non-ministerial permit requirement, applicants should be required to submit either a copy of their zoning permit or a signed letter from the local zoning jurisdiction indicating the project does not require a zoning permit, and a letter from the Army Corps of Engineers regarding their jurisdictional wetland determination. It is our position that for the interconnection agreement requirement, projects should submit a fully executed interconnection agreement with the utility they are connecting to.

Topic 4: Transparency of Information

The IPA has taken the position under the previous proposal that “as a matter of public policy”, a landowner and a zoning board have “a right to know” if a project was switched with another project upon receiving a contract. There are any number of reasons during a development process that a project may be determined not to be viable and must be delayed or abandoned. These decisions are solely the domain of the developer and the consequences of proceeding or not are spelled out within agreements of the associated counterparties.

Geronimo Energy believes it is not necessary for the IPA to regulate this specific aspect of the relationship between the developer and its counterparties. If the IPA views this as a significant risk, the appropriate solution is to simply not allow project substitution at all.

Topic 5: Lottery within 45 days

Geronimo Energy supports the original language that a lottery is triggered by an oversubscription of 200% of the program within 14 days. Extending a second trigger if there is an oversubscription at 45 days is contrary to the ICC Final Order on April 3, 2018, that confirmed the 14 day window and importance of moving quickly through the contracting process