

October 17, 2019

VIA EMAIL

Anthony Star
Illinois Power Agency
160 N. LaSalle Street
Suite C-504
Chicago, IL 60601

RE: SunVest New Energy LLC's response to the IPA's Request for Comments

Dear Mr. Star:

SunVest New Energy LLC ("SNE") is pleased to submit comments to the Illinois Power Agency's ("IPA") request for comments dated October 5, 2018 (the "request for comments").

Reallocation of REC Contracts

SNE does not support the IPA's proposal to allow reallocation of contracts beyond the initial reassignment to another affiliated project. We believe that the continued ability to reassign the REC contracts will further incent applicants to submit speculative projects to the ABP. A onetime ability to reallocate contracts is sufficient to achieve the stated goal of allowing applicants to build the projects with most efficient interconnections.

SNE agrees with the remainder of the IPA's proposed clarifications to the reallocation provision.

Synchronization of the ABP Lottery and Interconnection Process

SNE does not support the IPA's idea to allow a project to hold its position in the ABP lottery queue even if it does not maintain its interconnection agreement in good standing. If the goal is to synchronize the two processes, SNE believes that this concept would have the exact opposite effect because it would allow projects without the ability to interconnect to receive REC contract awards. SNE believes that it is critical for applicants to post and

maintain meaningful security in addition to maintaining the project assets, including interconnection agreements, in good standing.

We caveat this position by noting that we also believe that ComEd's current proposal to make at least two hundred and fifty thousand dollars of the interconnection deposit non-refundable is not prudent. Instead, we favor the requirement of a deposit of five hundred thousand dollars in conjunction with a transparent milestone schedule that gives applicants a clear indication of when their interconnection deposit will need to be spent, and therefore become non-refundable.

Reducing Speculative Projects

SNE is concerned with the with concept of applying new and undefined criteria to determine whether a project is "real" or "speculative," as suggested by several other stakeholders. SNE agrees that the IPA should make sure that developers submit leases, non-ministerial permits and signed interconnection agreements as required by the original program guidelines but beyond that, determining what projects are "real" becomes highly subjective and gives opportunity for applicants to suggest criteria that favor their own projects. SNE believes that the IPA needs to choose one of two paths to achieve a successful and fair result:

1. The current path which allows everyone who meets the current three requirements of the ABP bid in and then lets bidders determine how they want to allocate their winning tickets.; or
2. Limit who is eligible to bid into the ABP to only those projects that not only meet the current ABP criteria but also can be built without any reshuffling of the interconnection queue or contingent interconnection upgrades, get rid of the ability to reallocate REC contracts and require substantial non-refundable bid security at the time a developer enters a project into the ABP thereby ensuring that only projects that can get built are bid into the ABP.

The former allows the lottery and the "golden ticket" concept to sort out which projects get built. The latter approach makes a project's position in the interconnection queue the most important factor and gives a distinct advantage to developers who submitted interconnection applications well

ahead of the finalization of the program rules. SNE believes that either of these approaches will work but we feel that the first option is most consistent with the stated goal of ensuring participation by a broad group of applicants.

SNE does not favor attempting to implement a solution that bridges the gap between these two approaches based on some unknown test of what is a real project and what is not. We feel that doing so may give the appearance of impartiality and invites the opportunity for gaming.

Ultimately, we feel that the best way to ensure that speculative projects are not submitted is to either increase the bid security and/or consequences to the applicant in the event that projects are submitted are found to not meet the three criteria set forth in the approved program rules or the applicant does not have a sufficient number of viable projects to honor the REC awards they receive.

With regard to the other concepts that the IPA suggested to discourage speculative bids:

- SNE continues to favor a cap on the percentage that any one applicant, or its affiliates, can **win** from a given block in order to achieve what we feel was the original intention of the program.
- SNE does not support the concept of requiring an applicant to demonstrate that it has a plan to acquire small subscribers. While we understand and appreciate the goal here, we don't see any objective way to determine whether an applicant passes or fails this test. We feel that requiring significant bid security and penalties for submitting projects which are not fully developed would be the most effective way of ensuring project and program success.

We appreciate the opportunity to offer these responses.

Sincerely,

Tim Polz

Tim Polz