

IPA Request for Comments – Distributed Generation
Informal Response of IGS Generation
July 21, 2014

In response to the Illinois Power Agency's ("IPA") request for comments regarding distributed generation, IGS Generation offers the following:

Question 2: How should the IPA define a distributed generation system? Is size of a system defined at the inverter, at the meter, or in some other way?

The IPA should define distributed generation broadly to include any system that produces electrical energy at or near the point of consumption. Moreover, distributed generation should include but not be limited to renewable resources such as solar, biomass, landfill gas, and other renewable energy sources that power electrical generation equipment. Such resources may also produce power back onto the distribution grid.

Question 5: What are the advantages and disadvantages of REC contracts of five year terms and those of a longer duration? Please be specific by market segment/size, and between new and existing systems.

Short-term REC contracts can lead to volatile pricing and reduce the certainty of cash flows available to finance projects. Larger projects require greater investment, which may be difficult to justify when pricing is volatile and uncertain. Conversely, Long-term REC contracts reduce volatility in REC prices and provide a more stable source of cash flow.

Question 9: What credit requirements may be appropriate for aggregators and other counterparties (i.e., self-aggregating system owners)? Should these requirements vary based on REC portfolio size and system size?

There should be reasonable credit requirements to ensure the parties will be able to meet their delivery commitments. These requirements should be determined based upon the size of the portfolio. But the requirements should not be so great as to create an undue barrier into the market.