



Invenenergy

Comments to the IPA's Distributed Generation Request for Comments

Public Version

Prepared for:

Illinois Power Agency

July 21, 2014



1.0 Summary

On July 3, 2014, the Illinois Power Agency issued a Request for Comments regarding the IPA's proposed 2015 Procurement Plan for Distributed Generation (DG).

Invenenergy's comments to IPA's questions are provided below.

1. **For DG between 25 kW and 2 MW in nameplate capacity, should the IPA consider holding procurements for more than one size range category? Are there other attributes that should be considered (e.g., net metering eligibility, community solar projects, residential/non-residential) in determining procurement categories?**

Comment: Holding a single procurement for projects between 25 kW and 2 MW in nameplate capacity is sufficient and the most cost-effective. The IPA should not impose any additional restrictions/preferences than those required by law.

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?**

Comment: CONFIDENTIAL INFORMATION REMOVED.

3. **If the IPA holds separate procurements for new and existing systems, how should those terms be defined? For example, is a system under development but not in operation at the time of the procurement new or existing? If RECs procured from new systems are anticipated to be of higher value than those from existing systems, what can the IPA consider that will prevent the procurement process from having a short-term impact on project development?**

Comment: CONFIDENTIAL INFORMATION REMOVED.

4. **How long and what flexibility should the IPA allow for new systems to commence operation after the procurement event?**

Comment: CONFIDENTIAL INFORMATION REMOVED.

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.**

Comment: CONFIDENTIAL INFORMATION REMOVED.

6. **What are the trade-offs between contract terms for new systems that pay for RECs as they are delivered versus contract terms that would allow for some upfront payment upon the system going into operation, but with commensurate enhanced**



credit requirements and clawback provisions?

Comment: CONFIDENTIAL INFORMATION REMOVED.

- 7. What elements may be necessary to include in clawback provisions to ensure that Agency, ratepayer, and stakeholder interests are properly protected?**

Comment: Clawback provisions would be unnecessary if the IPA requires adequate credit protections.

- 8. What are the perceived risks that developers, property owners, lending institutions, utilities, utility ratepayers, and other stakeholders may be exposed to as a consequence of the IPA entering into REC procurement contracts with terms of more than 5 years?**

Comment: CONFIDENTIAL INFORMATION REMOVED.

- 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? If so, how?**

Comment: CONFIDENTIAL INFORMATION REMOVED.

- 10. Are there timing considerations other than those related to DCEO rebates, state and federal tax incentives that the IPA should consider?**

Comment: CONFIDENTIAL INFORMATION REMOVED.

- 11. If aggregators are allowed to bid speculatively (e.g., not all projects in their aggregation identified at the time of bidding), what would be a reasonable length of time for aggregators to be given to provide evidence of viable projects, and what provisions should be considered to reallocate quantities of RECs to other aggregators if an aggregator is not able to verify progress on project development?**

Comment: CONFIDENTIAL INFORMATION REMOVED.

- 12. What additional provisions, if any, should be included to allow entities to be their own aggregator?**

Comment: Aggregators should be able to demonstrate their ability to develop, construct, and finance energy projects.

- 13. Given the framework of the Illinois RPS and provisions of the new Section 1-56(i), what models from other states should the IPA consider? Are there aspects of other state's models that the IPA should be aware of to avoid, and why?**

Comment: Not provided.



14. Should the IPA consider tracking RECs using systems other than PJM-GATS and M- RETs?

Comment: Yes, it should also consider the North American Renewables Registry. For DG systems within the ComEd service territory, PJM-GATS should be required.

15. Are there policies and procedures for tracking DG RECs (e.g., system certification) that need updating under current M-RETs and PJM-GATS frameworks?

Comment: Not provided.

16. Participants in our June 12th workshop included project developers, solar installers, both local and national businesses, utilities, trade associations, environmental organizations, consumer advocacy groups, and state agencies. Are there additional entities (or categories of entities) that should be engaged in this process?

Comment: The IPA has included all of the necessary entities and stakeholders.