

**Response to the IPA's Request for Comment regarding Initial Forward Procurements  
Silicon Ranch Corporation  
May 17, 2017**

**Topic 1: Site Control**

- 1. Site control could be as simple as just submitting a site address, or as strict as demonstration of full site control (e.g., lease agreements with no option for site modification). What would be an appropriate site control standard for the initial forward procurements and why? In responding, please provide sample documents, requirements, or templates for verification of site control, if applicable. Also, in responding, please discuss how a more stringent requirement may impact the ability of new market participants/smaller firms to participate in the procurement.***

Site control is a fundamental component in ensuring the viability of a project, and should be required. Site control could be demonstrated in the form of a lease option or purchase option but it is important that the applicant have unilateral right to exercise the option vs. another instrument such as a non-binding MOU. The size of a firm developing a project should not impact the ability to achieve site control.

- 2. Would having the option of providing an additional performance guarantee in lieu of providing evidence of site control mitigate the risk of failure to develop the project in time to start REC deliveries?***

While both site control and a performance guarantee would serve to underwrite the viability of a project, they are not substitutes for one another. One assumes that projects will be bid into the RFP claiming certain attributes, including location, and that any award would be specific to the proposal. For example, unless the performance guarantee ties to the specific site, then there is a chance that the awarded project may wind up being cited in a location with different attributes. A PG could help to mitigate the risk of deliverability but potentially at the expense of the additionality that is highly valued in the RPS.

**Topic 2: REC Delivery Flexibility**

- 1. What circumstances (e.g., operational or performance risks) could lead to a project failing to deliver its annual delivery quantity and could be mitigated through allowing banking and/or replacement RECs?***

Abnormal weather events, including natural disasters, can impact production and lead to unplanned shortfalls in the quantity of RECs delivered. Similarly, equipment malfunction can lead to a shortfall of RECs delivered. Although the equipment may be covered by warranty, repair may not occur immediately due to equipment and personnel availability, leading to an unplanned lapse in REC production.

**2. *Should the ability to bank RECs be unlimited or should there be parameters (e.g., quantity, vintage)?***

The ability to bank RECs should be unlimited in terms of quantity as developers are best qualified to determine the amount of RECs they need to produce annually to match their contracted quantity and risk tolerance.

**3. *Should banking of RECs be allowed between multiple projects owned by an entity/affiliate with contracts under the Initial Forward Procurements?***

Yes. This enables an entity to spread operational and performance risks across a larger pool of projects, better ensuring the delivery of contracted RECs for each individual project.

**4. *Taking into account statutory project qualification requirements, should the ability to provide eligible replacement RECs be otherwise unlimited or should there be additional parameters (e.g., quantity, vintage, narrower eligibility of RECs)?***

So long as the projects from which the RECs are sourced complies with the statutory project qualification requirements, the ability to provide eligible replacement RECs should not be limited.

**5. *Under what circumstances should underperformance that cannot be remedied through banking and/or replacement lead to the termination of a contract? What alternative penalty provisions should be considered to address underperformance***

No comment.