

## Comments for Illinois Power Agency

Wanxiang New Energy appreciates the opportunity provided to the Illinois Power Agency to comment on the IPA's 2015 Draft Supplemental Photovoltaic Procurement Plan, released on September 29, 2014. Below are our comments:

Wanxiang New Energy requests clarifications about the lengths of REC contracts. There are multiple references in the plan to the IPA bill's section 56.1 saying REC terms need to be a "minimum of five years." However, in sections 4 and 5, references are only made to "five-year contracts." If the contracts are only for five years, we suggest it say so explicitly, after the first sentence of the first paragraph in section 4.1. If contracts can be longer than five years, then it should be specified that five years is the *minimum* term.

If the contracts are indeed set at five years, then in paragraph 2 of section 4.1, we recommend that the part now reading— "The IPA, *at its own discretion* and based upon the availability of funds, will offer to purchase additional RECs from systems that deliver all of their contracted RECs prior to the end of the five year period"—be amended so that it reads as follows: "The IPA, based upon the availability of funds, will *automatically* offer to purchase additional RECs from systems that deliver all of their contracted RECs prior to the end of the five year period."

We would like to see the REC contracts extended to 7 or 10 years. Most investors and banks would like the REC contract term to match the investment/loan term. Five years is not a significant amount of time for PV project developers to recoup their investment through REC payments. Providing an automatic extension clause so that developers who uphold the terms of their contracts will be rewarded with extensions of the REC contract would be a good incentive for investors and banks to support and invest in new PV projects in Illinois.

Thank you very much for considering Wanxiang New Energy's comments.