

8/9/2019

Bluestem Energy Solutions, LLC Comment on Preliminary Proposal Requirements and Key Contract Terms for the IPA's Non-Solar Community Renewables RFP

Procurement Administrator,

Thank you for your work implementing this program and for inviting comments. Our most significant comment relates to the current draft's unachievable requirement that applicants obtain non-ministerial permits by November 6, 2019 (Part 1 Proposal). A typical development needs 30-45 days to put land under control and 60-90 days to achieve special use zoning approval, at a minimum. If a county requires an additional "Soil & Water Conservation District" review (common in Illinois) or equivalent environmental (avian) studies, the zoning timeline is extended *at least* another 30 days. This means *the earliest* non-ministerial permits should reasonably be required is the week of January 13th, 2020. Even if this requirement is extended by making it a Part 2 Requirement (December 4, 2019) it would introduce substantial unnecessary strain on both developers and county planning/development staff (see correspondence from County zoning staff attached to email).

If the November 6th deadline is maintained the only developers applying to this program will be those with already-completed land control and zoning, which likely occurred under a speculative business model, or from projects already operating. I don't anticipate it was the intent of the IPA under the LTRRPP to isolate this REC opportunity only to those types of projects and developers.

Bluestem has been pursuing land for this program since June 2019, however key elements were not released until July 30th and therefore the scope of our interest in the program had not been finalized until the last few days. We are still very excited by this program and are spending considerable resources in the month of August to procure land. For this reason we appreciate as early a response to this comment as possible so that we may avoid wasting time and money into a fruitless effort if the November 6th non-ministerial deadline is to be maintained.

Comments:

- **Section 3 "Draft Part 1 Proposal Requirements for Each Project":** Within the "Part 1 Proposal Requirements" table, the section titled "Certifications Regarding the Projects" (pg. 11) includes a requirement that the Seller/Bidder must certify in its Part 1 proposal that "all non-ministerial permits have been obtained." Under typical development timelines it is unlikely a project will achieve this hurdle any earlier than mid-January of 2020. Would the Procurement Administrator or IPA consider altering its timeline to reflect this?

Another solution is to amend this requirement and simply require that all projects prove they meet current non-ministerial permit regulations (such as setbacks in zoning regulations etc.), without requiring the final permit to be *in-hand* at time of application.

- **Section 2.15:** In setting its benchmark (maximum) REC bid level, will the Procurement Administrator/IPA consider that the "DG Rebate" (also known as "Smart Inverter Rebate") will not be applicable for projects in this program, as it was for solar projects in the Adjustable Block program? 220 ILCS 5/16-

107.6 indicates that only distributed generation projects that include a “smart inverter” can apply for the \$250/kW rebate. While wind turbines provide the same grid voltage and frequency support that was the intended outcome of this statute, they technically do not involve an “inverter” as they generate at AC. Wind turbines do include an AC-to-AC *converter* but no inverter.