

From: [@ Musselman Oost, Julie](#)
To: [Zuraski, Richard](#)
Subject: Fw: 2012 Draft Procurement Plan for energy supply and renewable energy resources
Date: Friday, September 09, 2011 11:30:00 AM

Julie Musselman Oost
Economic Analyst
Kelley Drye & Warren LLP
333 West Wacker Drive, Suite 2600
Chicago, IL 60606
312.857.2617

From: Litvin Dan <dltvn@comcast.net>
To: Oost, Julie
Sent: Thu Sep 08 18:11:25 2011
Subject: 2012 Draft Procurement Plan for energy supply and renewable energy resources

Comments on the 2012 Draft Power Procurement Plan

Submitted to the Illinois Power Agency by Dan Litvin of Solarwerks, LLC

Thank you for providing the opportunity to submit comments on the 2012 Draft Procurement Plan (the “Draft Plan”). The Solar Carve Out in the Illinois Renewable Energy Standard (RES) is one of the most aggressive solar mandates in the nation. If fully and strategically implemented, this policy could be an engine for job growth and economic development in Illinois.

Unfortunately, the Solar Carve Out implementation process outlined in the Draft Plan will not yield these benefits. In the Draft Plan, the IPA proposes to procure RECs, including SRECs, through an auction that has been designed with large, utility-scale projects in mind. To date, the IPA’s auctions have successfully driven investment in utility-scale renewable energy generation, and the auction process outlined in the plan will continue to support growth in this sector. Developers and owners of small and mid-size distributed solar systems, however, will not be able to participate. Bidding requirements are too complex and transaction costs are too high to justify participation for small projects. This is a lost opportunity for the state.

Solar module prices have plummeted in the last two years and rooftop solar has never been more cost-effective. “Fuel” costs are zero, transmission costs are zero, and distributed solar delivers benefits to the electric distribution system by providing power at peak hours when other generation resources are at their most expensive. Initiating an SREC procurement program for distributed solar systems in 2012 would allow the state to take advantage of these values to mitigate the long-term price risks associated with other resources in the IPA portfolio while supporting badly needed job growth and economic development.

From my own personal experience of a solar systems installer I can tell you that I have approached investors to create solar installation for single family homes and lease it to the home owners. The idea was rejected by the investors because of the fact that we don't have a market here for SRECs and no way to guarantee a steady and continuous SREC free trading in Illinois that will be here for years to come. It is vital for such private money to have assurances that they can and will be able to make money from such a business. We also don't have the ability to sell to the Utilities the access of electricity that will be generated and get a dollar for dollar the same money that they are charging their customers. In short, Illinois doesn't offer any opportunity for the private sector to come and invest here in the solar industry. We are not the only ones that losing additional income, the State does too, we need you to give this industry the push that it needs and you're now in the position to do it. Don't miss this opportunity.

We respectfully recommend that the IPA modify the Draft Plan to include language stating affirmatively that the Agency will (1) create a procurement program for solar renewable energy credits (SRECs) from distributed solar energy systems; (2) implement the program over multiple years to encourage sustainable, long-term growth of Illinois' solar industry; and (3) hold a series of workshops prior to the Spring 2012 procurement events to seek stakeholder input on program features and implementation procedures. Thank you for your consideration.

Sincerely,

Dan Litvin

Solarwerks, L

Pursuant to Treasury Regulations, any U.S. federal tax advice contained in this communication, unless otherwise stated, is not intended and cannot be used for the purpose of avoiding tax-related penalties.

The information contained in this E-mail message is privileged, confidential, and may be protected from disclosure; please be aware that any other use, printing, copying, disclosure or dissemination of this communication may be subject to legal restriction or sanction. If you think that you have received this E-mail message in error, please reply to the sender.

This E-mail message and any attachments have been scanned for viruses and are believed to be free of any virus or other defect that might affect any computer system into which it is received and opened. However, it is the responsibility of the recipient to ensure that it is virus free and no responsibility is accepted by Kelley Drye & Warren LLP for any loss or damage arising in any way from its use.