

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Power Agency)
) ICC Docket No. 19-0995
Petition for Approval of IPA’s Revised Long-)
Term Renewable Resources Procurement Plan) (Reopen)
Pursuant to Section 16-111.5(b)(5)(ii))
of the Public Utilities Act.)

**NOTICE AND UPDATE ON STATUS OF REC CONTRACT AMENDMENTS
DUE TO THE ENACTMENT OF PUBLIC ACT 102-0662**

As a result of the enactment of Public Act 102-0662, the Illinois Power Agency (“IPA” or “Agency”) submits this Notice and update on the status of the development of Renewable Energy Credit (“REC”) Delivery Contract amendments in accordance with the Illinois Commerce Commission’s Order on Reopening in the above-captioned matter.

As explained in the Agency’s Verified Petition for Reopening (Petition at 4-6) and detailed within the Revised Plan, the structure of the collection and reconciliation of Renewable Portfolio Standard (“RPS”) funds coupled with project development energization delays due to the COVID-19 global health pandemic resulted in a projected budget shortfall of RPS funds during the second half of the 2021-2022 delivery year. The Agency highlighted in both its Petition and Revised Plan on Reopening that preventing collected-yet-unspent RPS funds from being refunded required a legislative solution, despite the fact that the funds were committed to future payment obligations. (Petition at 6; Revised Long-Term Plan at 99 (June 7, 2021)). The modifications for which the IPA sought Commission approval upon reopening included a proposal to manage the projected shortfall absent that legislative change.

On May 27, 2021, the Commission approved the Agency’s proposed approach to address a projected shortfall in the RPS budget during the second half of the 2021-2022 delivery year (i.e., January – May 2022) through a payment deferral mechanism outlined in the Agency’s Revised

Long-Term Renewable Resources Procurement Plan.¹ In approving the approach to payment deferrals, the Commission agreed with the Agency that amendments to impacted contracts should be developed utilizing the Agency’s process already in place for the development of REC contracts under programs and competitive procurements consistent with Section 16-111.5(e)(2) of the Public Utilities Act. (Order on Reopening at 34). In accordance with the Order on Reopening, the Agency published amendments to the impacted REC Contracts on August 31, 2021.² The IPA’s announcement of the finalization of the REC Contract amendments noted that additional announcements would be forthcoming regarding the next steps for execution.

Subsequent to the publication of the REC Contract amendments, Public Act 102-0662, commonly referred to as the Climate and Equitable Jobs Act or “CEJA”, was enacted on September 15, 2021. Among its many provisions, this omnibus energy law directly addresses the RPS funding mechanism and modifies Section 16-108(k) of the Public Utilities Act to rollover prior-collected funds for use in the current delivery year. Specifically, the changes to 16-108(k) provide in relevant part that:

Money collected from customers for the procurement of renewable energy resources in a given delivery year may be spent by the utility for the procurement of renewable resources over any of the following 5 delivery years, after which unspent money shall be credited back to retail customers. The electric utility shall spend all money collected in earlier delivery years that has not yet been returned to customers, first, before spending money collected in later delivery years.

...

The amount of excess funds eligible to be credited back to retail customers shall be reduced by an amount equal to the payment obligations required by any contracts entered into by an electric utility under contracts described in subsection (b) of Section 1-56 and subsection (c) of Section 1-75 of the Illinois Power Agency Act, even if such payments have not yet been made and regardless of the delivery year in which those payment obligations were incurred.

¹ The [Revised Long-Term Renewable Resources Procurement Plan](#) as modified upon reopening was published in accordance with the Commission’s Order on Reopening on June 7, 2021.

² The [Adjustable Block Program REC Contract Amendment](#) and [Utility-Scale REC Contract Amendment](#) were published on the IPA’s website on August 31, 2021.

(220 ILCS 5/16-108(k)). This “rollover” provision in CEJA allows for the electric utilities to continue to use RPS collections to fund payment obligations which are expected to be invoiced in the second half of the 2021-2022 delivery year, as well as payment obligations in future years. In light of the changes under Public Act 102-0662, the Agency no longer projects a budget shortfall for the 2021-2022 delivery year, thus rendering moot the REC Contract amendments developed in accordance with the Commission’s May 27, 2021 Order on Reopening. The Agency has therefore withdrawn the published REC Contract amendments. The IPA is not aware of any party which has executed the amendment, and no additional steps will be taken by the IPA to ensure execution of the amendments.

This notice and update will be posted on the Illinois Power Agency website, along with the prior-proposed REC Contract amendments themselves (now labeled as withdrawn), to provide guidance and clarity to all interested stakeholders.

November 9, 2021

Respectfully submitted,

Illinois Power Agency

/s/ Brian P. Granahan

Brian P. Granahan
Chief Legal Counsel
Illinois Power Agency
105 W. Madison St., Suite 1401
Chicago, Illinois 60602
312-814-4635
Brian.Granahan@Illinois.gov

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NOTICE OF FILING

Please take notice that on November 9, 2021, the undersigned, an attorney, caused the Illinois Power Agency's Notice and Update on the Status of REC Contract Amendments to be filed via e-Docket with the Chief Clerk of the Illinois Commerce Commission in the above-captioned matter.

November 9, 2021

/s/ Brian P. Granahan
Brian P. Granahan

CERTIFICATE OF SERVICE

I, Brian P. Granahan, an attorney, certify that a copy of the foregoing document was served upon the parties on the Illinois Commerce Commission's service list as reflected on e-Docket via electronic delivery on November 9, 2021.

/s/ Brian P. Granahan
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