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Midwest Cogeneration Association
Comments on
Illinois Power Agency
2022 Long-Term Renewable Resources Procurement Plan
Draft Plan for Public Comment

After review of the draft “2022 Long-Term Renewable Resources Procurement Plan,” the Midwest Cogeneration Association (“MCA”) is submitting three clarifying questions to the Illinois Power Agency (“IPA” or “Agency”).

Summary and Context

Generating technologies included in the Climate and Equitable Jobs Act’s (“CEJA”) definition of renewable energy resources (“RER”) are eligible to sell renewable energy credits (“RECs”) into the Illinois Renewable Portfolio Standard (“Illinois RPS” or “RPS”). The definition states that “the underlying energy must be generated ‘from wind, solar thermal energy, photovoltaic cells and panels, biodiesel, anaerobic digestion, crops and untreated and unadulterated organic waste biomass, and hydropower that does not involve new construction or significant expansion of hydropower dams, waste to heat power systems, or qualified combined heat and power systems’ as well as ‘landfill gas produced in the State.’”

The draft IPA Plan serves to “increase the balance of RECs under contract in future delivery years” as CEJA “requires the procurement of RECs ‘from new projects’ in an amount equal to at least ‘10,000,000 RECs delivered annually by the end of the 2021 delivery year, and increasing ratably to reach 45,000,000 RECs delivered annually from new wind and solar projects by the end of delivery year 2030 such that the percentage-based RPS goals outlined above are met entirely by year 2030 by procurements of renewable energy credits from new wind and PV projects.”

Question 1:

While CEJA provides specific “targets” for wind and PV solar in the RPS and provides for the prioritization of those renewable energy resources (“RERs”), is it the Agency’s position that it nonetheless has the authority to procure renewable energy credits (“RECs”) from other technologies and resources, such as ‘waste heat to power’ (“WHP”) and ‘qualified combined heat and power’



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(“CHP”), which are included in the definition of RERs? Please explain and clarify the Agency’s position on this in the final Long Term Plan.

Question 2:

Please explain and clarify whether it is the Agency’s position that it can only procure non-wind and non-PV solar RECs if available wind and PV solar RECs in any given year are insufficient to meet CEJA’s annual goals? Please explain and clarify how such a sufficiency dependent procurement process would work and the relevancy of available annual funding to the procurement of non-wind and non-PV solar generated RECs.

Question 3:

Please explain and clarify whether and in which procurement programs or other IPA programs, RECs generated by non-solar and non-wind RERs, such as ‘waste heat to power’ (“WHP”) or ‘qualified combined heat and power’ (“CHP”), are eligible for IPA procurement or other IPA administered incentive programs. CHP is specifically called out as eligible for RECs in the Climate and Equitable Jobs Act (“CEJA”) statutory language. The legislature further recognized the need for a diversity of energy resources and the importance of RECs to the development of renewable energy facilities. “The General Assembly has recognized that providing opportunities to enter into long-term contracts for the purchase of renewable energy credits from renewable energy facilities creates incentives, and in fact is necessary, for the construction and operation of such resources.” In the clarification response, please explain why this does not apply to CHP and other non-wind and non-solar RERs.

Please see the next two pages for additional commentary on the REC Gap identified in the IPA Draft Plan and the opportunity that CHP could provide in Illinois, sourced from the U.S. Department of Energy.

Thank you for your consideration of these comments.

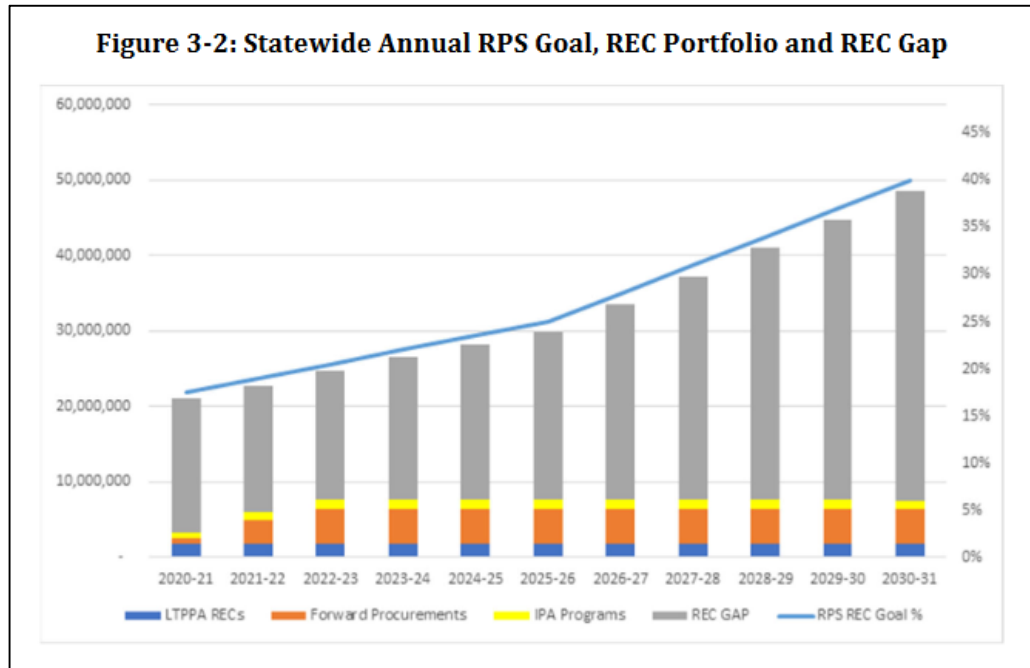
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Additional Commentary on REC Gap and Illinois CHP Opportunity

Figure 3-2 on page 69 (see below) provides a snapshot of the significant REC gap for the State of Illinois between 2020 and 2030.



There is significant technical potential in the State of Illinois for the RERs of WHP and CHP projects that could help meet the REC requirements and close the REC gap. Many Illinois businesses, multifamily building owners, municipalities, hospitals, universities, and school districts that require reliable baseload (24/7) power also have the capacity to generate their own power and reduce their energy carbon footprint by 50% or more, while controlling the cost and reliability of their energy supply. Indeed, the U.S. Department of Energy (“DOE”) projects Illinois’ potential for clean energy generation capacity from CHP and WHP alone to be 7,464 MW (7.5 GW) at over 13,000 sites across the State of Illinois. The following tables, from the U.S. DOE report, “Combined Heat and Power (CHP) Technical Potential in the United States,” provide a more detailed snapshot of the opportunity and potential generating capacities by specific market sectors for industrial and commercial/institutional facilities in Illinois.¹

¹ <https://www.energy.gov/eere/amo/downloads/new-release-us-doe-analysis-combined-heat-and-power-chp-technical-potential>

