ILLINOIS POWER AGENCY

RPS Stakeholder Questions

Request for Stakeholder Feedback

November 12, 2021

Background

On September 15, 2021, Governor Pritzker signed the Climate and Equitable Jobs Act (Public Act 102-0662) into law. This Act includes significant changes to the Illinois renewable portfolio standard, with the requirement a new Long-Term Renewable Resources Procurement Plan be published no later than 120 days after the effective date of the Act.

The Illinois Power Agency ("IPA" or "Agency") is seeking feedback on certain topics in preparation for publishing its updated Long-Term Renewable Resources Procurement Plan on January 13, 2022 in compliance with P.A. 102-0662. This feedback may be utilized by the Agency to help form the content of that draft Plan, with stakeholders having additional opportunities for comment after that draft Plan is published.

Through this Request for Stakeholder Feedback, the Agency is seeking feedback on considerations related to the calculation of available funds for the RPS and for the potential for if non-photovoltaic community renewable generation should be included in the updated Long-Term Renewable Resources Procurement Plan.

Responses to this Request for Stakeholder Feedback should be submitted to the IPA by December 3, 2021. Written responses should be emailed to IPA.Contactus@illinois.gov with the subject "Responder's Name – Response to RPS Comment Request."

In general, responses will be made public and published on the Illinois Power Agency website. Should a commenter seek to designate any portion of its response as confidential and proprietary, that commenter should provide both public and redacted versions of its comments. Independent of that designation, if the Agency determines that a response contains confidential information that should not be disclosed, the IPA reserves the right to provide its own redactions.

Stakeholder Feedback Questions

RPS Budget Accounting

Section 1-75(c)(1)(ii) of the Illinois Power Agency Act (as modified by Public Act 102-0662) specifies that,

> *In any given delivery year, if forecasted expenses are less than the maximum budget available under subparagraph (E) of this paragraph (1), the Agency shall continue to procure new renewable energy credits until that budget is exhausted in the manner outlined in item (i) of this subparagraph (C).*

This creates significant planning challenges, as the move to annual blocks within the Adjustable Block Program presupposes a set, defined quantity established at the start of the year for that year, and utility-scale procurements similarly require defined quantities for bid selection. Meanwhile, the actual costs (and, in some cases, prices) resultant from program and procurement activity (which then inform budget impacts for available funding) are unknowable at the start of a delivery year. Competitive procurements to be conducted feature unknown prices, already-conducted competitive procurements feature floating prices, and programs featuring administratively set prices still feature different prices by project size within a category, with the relative weight of participation by project size likewise unknown.

1. Given the statutory guidance to maximize expenditures regardless of whether targets are exceeded, how can the Agency best balance maintaining the integrity of planned, transparent, and well-defined market opportunity information (such as a block size or maximum procurement quantity) with this need to ensure that the RPS "budget is exhausted"?
2. Further, how can these competing objectives be balanced *within* "any given delivery year"? Would this require midstream adjustments by the Agency?

In its Revised Long-Term Renewable Resources Procurement Plan, the IPA proposed utilizing a 5% buffer between expected collections and expected expenditures in attempting to ensure that expenditures were maximized relative to collections.

3. Given the recent changes to Section 1-75(c)(1)(E) of the IPA Act and Section 16-108(k) of the Public Utilities Act, is that buffer still appropriate? How should the Agency consider REC delivery contracts now featuring floating, indexed REC prices in determining the appropriate buffer margin?

To date the Agency has published RPS budget numbers and REC procurement volumes in the Long-Term Plan which is updated every two years. The Adjustable Block Program and the Illinois Solar for All Program websites also include dashboards of program activity.[1] The Agency is planning to develop a new portion of its website which will contain updates to RPS budgets and procurement volumes (most likely on a quarterly basis).

4. How can the Agency provide more useful and informative updates to stakeholders about the status of RPS collections and expenditures?

Non-PV Community Renewable Generation

Section 1-75(c)(1)(N) of the IPA Act (as modified by Public Act 102-0662) provides that,

> *Through the development of its long-term renewable resources procurement plan, the Agency may consider whether community renewable generation projects utilizing technologies other than photovoltaics should be supported through State-administered incentive funding, and may issue requests for information to gauge market demand.*

5. The Agency had previously conducted a procurement for non-PV community renewable generation and there were no selected bids. Given the increase in maximum project size to 5

[1] See: https://illinoisabp.com/block-capacity-dashboard-2/ and https://www.illinoissfa.com/project-dashboard/.

MW from 2 MW, does this now make wind community renewable generation viable as current turbine sizes could now be eligible? Could other technologies potentially qualify?

6. If procurement of RECs from non-photovoltaic community renewable generation projects should be included in the next Long-Term Plan, should this procurement be conducted through a competitive procurement? Or should it follow the Adjustable Block Program structure, including open enrollment and administratively set REC prices?
7. What would be an appropriate REC (or MW) target for a non-PV community renewable generation procurement or program, and what should be the timing?
8. Are there any provisions related to community solar (especially around subscription requirements) that should be different for non-PV community renewable generation?
9. Do other non-Illinois programs provide a useful model for supporting non-PV community renewable generation projects? If so, which states, and how might that approach be applicable to Illinois?