

**STATE OF ILLINOIS
ILLINOIS POWER AGENCY**

**COMMENTS OF THE ENVIRONMENTAL
LAW & POLICY CENTER AND VOTE SOLAR
ON THE PROPOSED RENEWABLE ENERGY CREDIT
PRICES FOR THE 2023-2024 PROGRAM YEAR**

March 24, 2023

The Environmental Law and Policy Center (“ELPC”) and Vote Solar, commenting jointly as the Joint Non-Governmental Organizations (“Joint NGO”), appreciate the opportunity to provide comments to the Illinois Power Agency (“IPA” or “Agency”) in response to the March 1, 2023, Request for Stakeholder Feedback on the *Illinois Shines (Adjustable Block Program) and Illinois Solar for All Program Proposed Renewable Energy Credit Prices for the 2023-2024 Program Year*.

General Comments

In general, the Joint NGOs observe that the REC prices for the ABP are appropriately reduced to reflect the higher Investment Tax Credit (“ITC”) as a result of the Inflation Reduction Act (“IRA”). For most categories and system sizes, the updated prices appropriately reflect healthy participation during Program Year 2022-2023 (PY 22/23). Similarly, the slight increase in most REC prices for the Illinois Solar for All (ILSFA) program feels responsive to the continued insufficient engagement in most subprograms of that initiative. In particular, we are grateful to see that the REC prices have increased meaningfully for larger (e.g., multifamily) residential projects in the ILSFA program. Despite this general agreement with the proposed downward changes to the ABP REC prices and upward changes to the ILSFA REC prices, the Joint NGOs suggest post-modeling adjustments to the REC prices for the Public Schools Category.

Public Schools

In line with the general reductions in the REC prices throughout the ABP, the IPA proposes reductions in the REC prices for ten of the twelve Public School size classes. The IPA has proposed the following changes to the Public Schools REC prices:

Table 1: Comparison of Public Schools REC Prices

Group and Size	PY 22/23 REC Price	PY 23/24 REC Price	Δ REC Price	Δ REC Price %
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Group A				
0 - 25 kW	\$74.95	\$67.26	(\$7.69)	-10%
25 - 100 kW	\$65.57	\$57.03	(\$8.54)	-13%
100 - 200 kW	\$66.40	\$60.82	(\$5.58)	-8%
200 - 500 kW	\$58.94	\$57.27	(\$1.67)	-3%
500 - 2000 kW	\$56.73	\$55.66	(\$1.07)	-2%
2000- 5000 kW	\$45.72	\$43.62	(\$2.10)	-5%
Group B				
0 - 25 kW	\$81.16	\$80.06	(\$1.10)	-1%
25 - 100 kW	\$70.42	\$66.26	(\$4.16)	-6%
100 - 200 kW	\$66.59	\$65.39	(\$1.20)	-2%
200 - 500 kW	\$59.81	\$61.18	\$1.37	2%
500 - 2000 kW	\$53.59	\$56.26	\$2.67	5%
2000- 5000 kW	\$37.23	\$41.23	\$4.00	11%

These proposed reductions seem to ignore that the Public Schools category remains severely undersubscribed. As of March 24, 2023, less than 5% of the PY 22/23 capacity available in the Public Schools category has been allocated, batched, or submitted.

Table 2: Public Schools Capacity Allocations for Program Year 2022-2023

Public School Category	PY 22/23 Block Sizes (MW)	Available Capacity (MW)	Percent Available
Group A	46.45	40.28	86.7%
Group B	108.39	107.61	99.3%

Public Schools Total	154.84	147.89	95.5%
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Source: Illinois Power Agency Website (Accessed: 2023, March 24). Block Capacity Dashboard.
<https://illinoisabp.com/block-capacity-dashboard/>

The Public Schools category has had nearly no participation to date - only 6.96 MW of the allocated 154.85 MW has been claimed. This deficit clearly reflects that this category is insufficiently attractive for the state’s public schools and project developers. The Joint NGOs fully understand that this is a new category and that developers and customers might still be on a learning curve to fully understand the program. We also acknowledge that the increase to the ITC value and the new “direct pay” option might make these projects more attractive to companies and customers. But we remain concerned that the IPA is proposing lowering REC prices in a category that saw so little uptake in the preceding Program Year.

The Joint NGOs recommend that the IPA maintain REC prices for the Public Schools category from Program Year 2022-2023. The one exception is for larger projects (i.e., 200kW+) in Group B, for which we support the IPA’s proposed increase to the REC prices. Specifically, we support the following REC prices for the Public Schools category in PY 23/24:

Table 3: Proposed REC Prices from the Joint NGOs for the Public Schools Category, PY 23/24

Public Schools Category (Group and Size)	Joint NGOs Proposed PY 22/23 REC Prices
Group A	
0 - 25 kW	\$74.95
25 - 100 kW	\$65.57
100 - 200 kW	\$66.40
200 - 500 kW	\$58.94
500 - 2000 kW	\$56.73
2000- 5000 kW	\$45.72
Group B	
0 - 25 kW	\$81.16

25 - 100 kW	\$70.42
100 - 200 kW	\$66.59
200 - 500 kW	\$61.18
500 - 2000 kW	\$56.26
2000- 5000 kW	\$41.23

Conclusion

The Joint NGOs appreciate the opportunity to comment on the proposed REC prices for PY 23/24. We look forward to providing additional comments regarding the REC calculation methodology as part of the Request for Stakeholder Feedback due March 28, 2022.