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Subject: [External] ComEd - Feedback on Draft Proposal Adjusting the Indexed REC Procurement Process
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On January 17, the IPA released the Draft Proposal for Adjusting the Indexed REC Procurement Process, detailing the proposed improvements to the Indexed REC procurement process. In response to the IPA's request for stakeholder feedback on the Draft Proposal, ComEd provides the following comments.

The IPA is proposing in its Draft Proposal an Inflation Adjustment Mechanism. As ComEd understands it, for bids in which the bidders opt into the inflation adjustment mechanism, the bidder's strike price would be adjusted one-time to account for market changes between the bid proposal submission date and the adjustment date related to the bid, governed by the technology specific inflation adjusted formula and the indices in that formula. Under this proposal, the IPA will evaluate the most appropriate approach for implementing optionality during bid evaluation and project selection. Further, the inflation adjustment mechanism will account for, but will not be limited to, changes to project costs, due to inflation occurring between the time that the developer bids into the IPA's competitive procurement event and the start of construction, that impact project economics and overall viability.

With respect to the proposed Inflation Adjustment Mechanism, ComEd believes any such adjustment mechanism needs to be symmetrical; meaning, if costs come down as a result of the volatility referenced in the Draft Proposal, then the bid price should reflect a corresponding adjustment downward. While the relevant section of the Draft Proposal refers to an "increase or decrease to a bid," that notion of symmetry should be explicit in the future compliance filing. Additionally, ComEd suggest there is a need for a single, authoritative source for calculating inflation as the key component of any proposed inflation adjustment mechanism, and that adjustment be applied in a non-discriminatory manner.

ComEd appreciates the opportunity to provide feedback on the Draft Proposal and looks forward to participating in the review and comment process with respect to the IPA's compliance filing to be submitted to the ICC. If you have any questions regarding this feedback, please feel free to reach out to me directly.

Regards, Chris Foley

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