

Large Customer Self-Direct Renewable Portfolio Standard Compliance Program Proposed 2025-2026 Program Year Bill Credit Rate

February 10, 2025

The Illinois Power Agency (“IPA” or “Agency”) is releasing for feedback the proposed bill credit rates for the Large Customer Self-direct Renewable Portfolio Standard Compliance Program (“Self-direct Program”) for the upcoming 2025-2026 program year. The proposed rates are based upon the methodology approved in the Agency’s [2024 Long-Term Renewable Resources Procurement Plan](#) (“2024 Long-Term Plan”).

The Agency seeks feedback on the proposed bill credit rates in accordance with the development process outlined in the 2024 Long-Term Plan. Responses are due by Friday, February 21, 2025 and should be submitted to: IPA.Contactus@Illinois.gov with the subject line: “[Responder’s Name] – Stakeholder Feedback on Self-direct Program Bill Credit Rate.”

Responses will be published on the [IPA’s 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.

Feedback on these proposed rates should be limited to the information provided herein. This is not the forum to contest the methodology for calculation of the 2025-2026 program year bill credit rate. Those seeking to comment on the methodology utilized to calculate the bill credit should do so in the Commission proceeding to approve the 2026 Long-Term Plan expected to occur during the summer 2025.

For more information regarding the methodology used to calculate the bill credit rates, please see Section 6.5 of the Agency’s 2024 Long-Term Renewable Resources Procurement Plan.

SELF-DIRECT CREDIT CALCULATION FOR 2025-2026 PROGRAM YEAR

The following costs are included in the Self-direct Program credit calculation:

2010 Long-Term Power Purchase Agreements (“LTPPA”)

Bundled REC + energy contracts entered into in 2010 to facilitate the development of new utility-scale renewable energy generation (primarily large wind farms); only the REC portion of the expense (the imputed REC price) is calculated as a drawdown from the RPS budget, with the energy price embedded into the rate paid by default supply customers.

Initial Forward Procurements (utility-scale wind, utility-scale solar)

Authorized by then-Section 1-75(c)(1)(G)(i)-(ii) of the IPA Act, these procurements were intended to support the development of new utility-scale wind and solar projects prior to the Commission's authorization of the IPA's Long-Term Plan through 15-year REC delivery contracts paid upon REC deliveries being actually made and invoiced monthly.

Other Forward Procurements (utility-scale wind, utility-scale solar, brownfield site photovoltaics)

Authorized primarily by the ICC's Order approving the IPA's Original Long-Term Plan in Docket No. 17-0838, these procurements were intended to support the development of new utility-scale wind and utility-scale solar projects, and new brownfield site photovoltaic projects, to meet future years' new project REC delivery targets under Section 1-75(c)(1)(C) of the IPA Act. As with the initial forward procurements, these procurements feature 15-year REC delivery contracts with payments made upon delivery.

Indexed Renewable Energy Credit (IREC) Procurements (utility-scale wind, utility-scale solar, brownfield site photovoltaics, and hydropower facilities)

Section 1-75 (c)(1)(G)(v) of the IPA Act requires the Agency's procurement of Indexed RECs for all competitive REC procurements starting in 2022. Under an Indexed REC pricing structure, a project's REC price is determined based on the strike price submitted by the bidder participating in the procurement and the differential between the strike price and wholesale market energy settlement prices. These Indexed REC procurements feature 20-year contract with REC payments made on a monthly basis subject to the calculation of the REC payment amount as described above.

The IPA has conducted six utility-scale Indexed REC procurement events across 2022, 2023, and 2024. Based upon the best available information to the Agency on project status and prospective commencement of commercial operation dates, there are a several projects that have been recently energized or are anticipated to be energized during the 2024-2025 and 2025-2026 program years. These prospective projects costs have been included in the calculations used to derive the 2025-2026 program year bill credit rates provided in the section below.

Preliminary Bill Credit Calculations

Based on the summary analysis described above, the Agency’s preliminary calculation of the 2025-2026 program year bill credit results in a bill credit rate of \$0.3457/MWh and \$0.42586/MWh for Ameren Illinois Company and Commonwealth Edison Company, respectively. Refer to the tables below which provide additional details used to derive the bill credit rates for each utility.

Ameren Illinois Company

Ameren Illinois Company	2023-2024 (Actual)	2024-2025 June - December (Actual)	2024-2025 January - May (Forecast)	2024-2025 Total	2025-2026 (Forecast)	Total
2010 LTPPAs	\$3,401,000	\$0	\$0	\$3,259,000	\$1,276,000	\$7,936,000
Forward Procurements	\$7,528,799	\$4,252,041	\$3,357,603	\$7,609,644	\$7,396,105	\$22,534,547
Energized IREC Projects	\$0	\$0	\$944,295	\$944,295	\$4,161,474	\$5,105,769
Total cost	\$10,929,799	\$4,252,041	\$0	\$11,812,939	\$12,833,578	\$35,576,316
Annual RPS Collections	\$156,961,600			\$155,398,917	\$158,506,896	\$470,867,412
Ratio	6.96%			7.60%	8.10%	7.56%
RPS Rate						4.5755 /MWh
Bill Credit						\$ 0.3457 /MWh
						\$ 0.00035 /kWh
						0.03457 cents/kWh

Commonwealth Edison Company

Commonwealth Edison Company	2023-2024 (Actual)	2024-2025 June - January (Actual)	2024-2025 February - May (Forecast)	2024-2025 Total	2025-2026 (Forecast)	Total
2010 LTPPAs	\$17,220,345	\$0	\$0	\$14,320,007	\$14,162,542	\$45,702,894
Forward Procurements	\$13,782,639	\$9,864,937	\$6,405,571	\$16,270,508	\$17,737,591	\$47,790,738
Energized IREC Projects	\$0	\$0	\$2,264,634	\$2,264,634	\$9,980,159	\$12,244,793
Total cost	\$31,002,984	\$9,864,937	\$0	\$32,855,149	\$41,880,292	\$105,738,425
Annual RPS Collections	\$419,076,746			\$416,841,691	\$411,704,591	\$1,247,623,027
Ratio	7.40%			7.88%	10.17%	8.48%
RPS Rate						5.0248 /MWh
Bill Credit						\$ 0.42586 /MWh
						\$ 0.00043 /kWh
						0.04259 cents/kWh

For context, the rates for the 2024-2025 program year were \$0.27973/MWh for Ameren Illinois (an increase of \$0.0660/MWh or 24% increase between 2024-2025 and 2025-2026) and \$0.36400/MWh for ComEd (an increase of \$0.0619/MWh or 17%).

In completing this analysis, the Agency relied on data from its previous procurement events, the [RPS REC & Budget Forecast Update](#) released in October 2024, forward energy prices for the 2025 and 2026 periods, project status updates provided by IREC project developers, and

actual costs provided by Ameren Illinois Company and Commonwealth Edison Company. Prices and quantities related to individual projects is confidential per Section 16-111.5(h) of the Public Utilities Act, thus the information contained herein is provided in aggregate. For the Forward Procurements on the tables above, the Ameren Illinois Company 2024-2025 delivery year costs for January through May have been extrapolated from the June through December actual costs. The Commonwealth Edison Company 2024-2025 delivery year costs for February through May have been extrapolated from the June through January actual costs. The difference in the months utilized is a result of the finalized cost data available for the respective utilities.

For the 2025-2026 program year, costs are based on the contracted REC volumes multiplied by the contract prices, accounting for the attrition of REC from projects selected in the procurement events that have not, and will not, be energized. 2010 LTPPA anticipated costs are based upon contracted volumes and the applicable imputed REC price. The Energized IREC Projects values are based upon the strike price for each project, less the current forward energy price for the respective year to derive the resulting IREC price. This price was then multiplied by the contracted REC volume to derive the forecast cost for the relevant period, as defined in the tables above.

Finally, a review of the bill crediting rates for 2025-2026 relative to those from 2024-2025 were found to be the result of a series of updates and new inclusions, including: updates in the year-to-year RPS collections, incorporation of actual costs for the 2023-2024 period,¹ decreasing LTPPA costs (these contracts were structured to include a forward price curve that results in the imputed REC price declining each year), the incorporation of energized IREC projects,² and increasing forward procurement costs.³

¹ Use of full-year actuals for 2023-2024 resulted in an increase from the combination forecast (February through May) and actual values (June through January) used in the 2024-2025 bill credit.

² Project energization is based upon the originally commercial operation date as provided at the time of project selection, updated based upon additional information provided by project developers where available. Prior year bill credit calculations did not include any forecast project energizations of IREC projects.

³ This is a result of projects from the 2017-2019 procurement cycle being completed and beginning generation of RECs.