

Clean Grid Alliance Feedback on Illinois Long-Term Renewable Resource Procurement Plan - Chapter 3

Clean Grid Alliance (“CGA”) offers the following comments and response to questions issued by the IPA on June 25, 2025 seeking feedback on Chapter 3 topics:

RPS Budget Forecast Model Input Questions:

1. Currently, the RPS Budget Forecast Model utilizes the same forecast prices when forecasting Indexed REC projects (i.e., the same forecast “strike price” is maintained during forecasted years for all utility-scale projects regardless of project type), which are also held constant for each forecast year as well. These prices are successively replaced with the actual strike prices realized following an IPA Indexed REC procurement. This choice was implemented for simplicity given the unclear nature of future project prices – especially given both market volatility and project-specific nuances that are difficult to predict – and to maintain consistency and reduce unintended errors between model updates.

- a. Should the IPA consider varying Indexed REC strike prices by resource type (solar or wind/hydro) and by year (forecast year)?

CGA Response: Yes, this makes sense to do.

- b. If yes, what are the most important factors to consider if the Agency were to consider varying the forecast strike prices by resource?

CGA Response: Can IPA use past procurement results for strike price by resource type to extrapolate the differential between resources for the forward-looking budget model?

- d. The RPS Budget Model currently uses a forward price curve for calculating imputed REC prices that is based on around the clock prices. Should the IPA consider using different forward price curves that are matched to the generation profile of each resource? Forward prices are generally available as monthly on-peak and off-peak quotes. What would be good adjustment factors to use to simulate average generation-weighted prices for wind, hydro, and solar?

CGA Response: Yes, this approach also makes sense to do.

RPS Budget Forecast Model “Big Picture” Questions

3. Currently the Agency’s RPS Budget Forecast projects a budget shortfall during the 2028-2029 program year. However, if the forecast changes due to market and/or procurement changes and a shortfall were to be forecasted earlier (e.g., during the 2026-2027 or 2027-2028 program years), the Agency could consider implementing a process to adjust its procurements to extend the budget and maximize the number of projects contracted to provide RECs and support progress toward achieving the Illinois RPS and clean energy targets.

- a. In the event of an imminent forecast RPS budget shortfall, should the Agency consider adjusting project targets to extend the RPS budget and delay the shortfall?

CGA response: Ultimately, the RPS budget shortfall must be addressed by the legislature. Any adjustment made at the IPA to adjust the procurement process to “extend the budget” should not be at the expense of selecting current, viable bids for projects. Without knowing the details of IPA’s proposal on this, CGA cannot support this concept.

4. Under a constrained RPS budget, are stakeholders open to a project/program triage mechanism to optimize the remainder of the budget and maximize the potential contracting of RECs?

CGA response: It is unclear exactly what is meant by this. Does IPA have a specific proposal for how this would be achieved?

- a. Should the Agency consider changing the Indexed REC procurement allocation between solar and wind (currently 55/45 respectively)?

CGA response: IPA should utilize the flexibility granted to it under law to the greatest extent possible to procure RECs toward meeting the overall target.