

VIA ELECTRONIC MAIL

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Stakeholder Feedback Request for the 2026 Long-Term Plan
Chapter 3: REC Portfolio, RPS Goals, Targets, and Budgets and Program REC Pricing

The Joint EEC Parties advocate for the Agency's commitment to equity to serve as a driving factor in procurement events under the 2026 Long-Term Plan. Given the downward pressure on the economic climate stemming from the One Big Beautiful Bill Act's negative effects on federal tax credits, coupled with the Agency's forecasted REC budget shortfall during the 2028-2029 delivery year, EECs face critical risk of being removed from the solar market. The Agency should prioritize REC procurements from project categories that are otherwise not financially viable without Illinois Shines REC contract revenue. In other words, EECs rely on the Agency to provide secure access to protected opportunities for growth in the industry. Until legislative change is implemented to increase the 4.25% of the cents/kWh rate cap outlined in CEJA as a solution to extend the Illinois Shines Program beyond 2028-2029, utility scale wholesale energy market saturation should be limited to increase opportunity for smaller, disadvantaged businesses that depend on the wealth building value of state incentives. Therefore, the Agency should prioritize procurement of distributed generation and community solar RECs, especially from the EEC category. In turn, the Joint EEC Parties offer the following comments to Chapter 3 of the 2026 Long-Term Plan:

TOPIC #1: REC Portfolio and RPS Budget Forecast

RPS Budget Forecast Model "Big Picture" Questions

Should the Agency consider changing the 45%:55% wind/hydro-to-solar split? If yes, to what percentages and why?

Joint EEC Response: The IPA should consider changing the 45:55% wind/hydro-to-solar split to 30% of annual RECs from wind/eligible hydro and 70% from solar. If the 30% wind/hydro carveout falls short in terms of procurement, the Agency should make up the difference with additional solar procurement in the same event and adjust future procurements to compensate for any shortfalls. Wind and hydro projects are much more complex and expensive to build than solar projects. Wind and hydro projects can take years to complete and include an extensive site host

control, permitting, and interconnection process which can create limits for Illinois from meeting its statutory RPS goals of 40% by 2030 and 50% by 2040. Additionally, wind and hydro projects take RPS funding away from smaller EEC businesses that cannot afford to participate in the development or construction of these larger scale projects. Due to the unsuccessful passage of SB40, the Illinois energy omnibus bill that proposed significant improvement to the grid's reliability, existing transmission infrastructure may not be sufficient to handle the increasing flow of wind power and hydro power. Additionally, wind and hydro projects require a greater amount of third-party financing from institutional investors that may not be comfortable with their return of investment now that projects must commence construction by July 4, 2026 to claim the ITC or PTC.

Should the split be focused on all projects (Indexed REC and Illinois Shines) or only certain types of projects, and why? Should the Agency consider changing the solar carve-outs between utility-scale and Illinois Shines?

Joint EEC Response: Within the 55% of solar carve-out of the wind/hydro-to-solar split, 80% of all solar RECs should be procured through Illinois Shines and 20% of the balance should come from Indexed REC procurements. Higher levels of renewable resource generation are causing wholesale energy prices to decrease. This leads to increased prices for utility scale indexed RECs which deplete the RPS budget faster than collections occur under the rate cap. While utility scale projects typically provide energy savings to major offtakers, community solar and distributed generation projects provide energy savings to residential customers, small commercial customers, and low-income residents.

Utility Scale projects seldom include labor from EECs. EECs have a challenging time finding work on utility scale projects, not by choice, but because of market limitations such as being smaller, emerging businesses, that do not have the manpower and financial backing to compete with large utility scale contractors. The MES for utility scale projects also only applies to construction, in contrast to the Illinois Shines program where all project development activities (financing, sales, origination, etc.) are subject to the MES. These project development activities do not require union labor. Lastly, the current equity bid adjustment under the competitive Indexed REC RFP is ineffective. Instead of requiring a minimum contract percentage allocated to EECs like TCS projects, the equity bid adjustment is applied only if the Seller exceeds the MES.

Should a change to the target percentages be consistent for all program years, or instead change based upon the results of an Indexed REC procurement and/or participation (over/under-subscription) in an Illinois Shines category? Why? Should any consideration on the cost-to-REC production ratio be considered? (i.e., emphasis in procuring more projects that produce more RECs at the least cost, thus acquiring more RECs under the RPS Budget) If yes, what weighting should be considered?

Joint EEC Response: The change to target percentages should be based upon the results of Indexed REC procurements and oversubscription in Illinois Shines categories. The TCS category in Illinois Shines has an extensive waitlist with a 2-year plus turnaround time for REC award. Considering that projects are required to commence construction within twelve months of July 4, 2025 to claim the full ITC or PTC, developers are tasked to discern practicality of submitting a community solar project onto a 2-year plus waitlist in Illinois Shines for a project that may or may not start construction in time. Not only does this negatively affect regular TCS projects from pursuing development, but it also reduces the number of TCS projects scored with EEC points. Provisions in Public Act 103-1066 for payment by utilities under existing REC contracts even if payments would exceed the RPS cost cap does not reduce risk for project developers. TCS projects take 2 years or more to get awarded a REC contract due to limited capacity. As a result, the Agency will need to reduce future REC prices, limit program capacity, and suspend new REC procurements to ensure existing REC contracts are funded.

Cost-to-REC production ratio should be considered when determining procurement percentages. Community solar projects have a more feasible cost-to-REC production ratio. In addition to cost-to-REC production ratio, community solar projects are developed, energized, and financed at a quicker rate for cheaper long-term maintenance of optimal energy production. If more capacity is made for community solar projects in the Illinois Shines program, Illinois will still maintain steady progress to meet its RPS goals while preserving the RPS budget until statutory fixes are made to the rate cap.

Under the Agency's competitive procurement process for Indexed RECs, only a handful of utility scale projects are selected during each procurement window. However, these utility scale projects still deplete the RPS budget due to the average bid price of \$70-\$76/ MWh:

Successful Suppliers and Selected Projects.

Supplier Name, business address and contact information	Address of Selected Project	Project Type	Nameplate Capacity (in MW AC rating)	Annual Quantity of RECs Selected	Average Winning Bid Price (\$/MWh)
Coles Wind, LLC 120 Garrett Street, Suite 700 Charlottesville, VA 22902	(39.605953°N, 88.180255°W) Charleston, IL 61920	Utility-Scale Wind	300.00 MW	965,052 RECs	\$76.98/MWh
Panther Grove 2 LLC 412 W 15th Street, Floor 15 New York, NY 10011	12632 N 600 E RD Gridley, IL 61744	Utility-Scale Wind	450.00 MW	1,532,747 RECs	
Coyote Road Solar, LLC 353 N Clark St, Floor 30 Chicago, IL 60654 Siamak.niroomand@rwe.com	563-729 Towerline Road (40.32989°N, 89.61213°W) San Jose, IL 62682	Utility-Scale Solar	150.00 MW	338,000 RECs	
Earthrise Illinois Northwest Solar I, LLC 3033 Wilson Blvd., Suite 700 Arlington, VA 22201	(41.392830°N, 87.927408°W) Manhattan Township, IL 60442	Utility-Scale Solar	150.00 MW	312,000 RECs	
Earthrise Illinois South Central Solar IV, LLC 3033 Wilson Blvd., Suite 700 Arlington, VA 22201	(39.245405°N, 88.406643°W) Springpoint Township, IL 62447	Utility-Scale Solar	150.00 MW	313,000 RECs	

Supplier Name, business address and contact information	Address of Selected Project	Type and Nameplate Capacity (in MW/AC rating)	Annual Quantity of RECs Selected	Average Winning Bid Price (\$/MWh)
Lotus Wind, LLC 120 Garrett Street, Suite 700 Charlottesville, VA 22902	(39.498440 °N, 89.930204°W) Modesto, IL 62667	Utility-Scale Wind 200.00 MW	358,517 RECs	\$73.06/MWh
Wolf Creek Solar, LLC 120 Garrett Street, Suite 700 Charlottesville, VA 22902	(38.987129°N, 91.478064°W) Montgomery City, MO 63361	Utility-Scale Solar 100.00 MW	223,802 RECs	
Earthrise Illinois South Central Solar I, LLC 3033 Wilson Blvd., Suite 700 Arlington, VA 22201	(39.397823°N, 88.398998°W) Paradise Township, IL 61938	Utility-Scale Solar 75.00 MW	197,100 RECs	
Earthrise Illinois South Central Solar III, LLC 3033 Wilson Blvd., Suite 700 Arlington, VA 22201	(39.350310°N, 88.355429°W) Trilla, IL 62469	Utility-Scale Solar 75.00 MW	197,100 RECs	
Blackberry Solar, LLC 9 E Loockerman Street, Suite 311 Dover, DE 19901 legal@solsystems.com	(40.9282°N, 90.3391°W) Galesburg, IL 61401	Utility-Scale Solar 49.70 MW	97,096 RECs	
Bunker Solar, LLC 9 E Loockerman Street, Suite 311 Dover, DE 19901 legal@solsystems.com	(40.6118°N, 89.5759°W) 3850 Cole Hollow Pekin, IL 61554	Utility-Scale Solar 38.70 MW	74,704 RECs	
Cornwell Solar, LLC 9 E Loockerman Street, Suite 311 Dover, DE 19901 legal@solsystems.com	(40.9179°N, 89.8169°W) Monica, IL 61559	Utility-Scale Solar 35.00 MW	68,417 RECs	

Many Illinois utility scale solar and wind projects still proceed with construction even if they are not selected under this competitive bidding process while community solar projects encounter difficulties with financial modeling without Illinois Shines REC contracts. This metric can be evaluated by recording the number of ‘non-ABP projects’ against those utility scale projects that are not awarded Indexed REC contracts.

TOPIC #2: REC Prices and the REC Pricing Model

REC Pricing “Big Picture” Questions

What are the key factors related to REC prices that are contributing to under-participation in Illinois Shines and/or ILSFA categories/subprograms? What is the weight that REC Prices for a given category or subprogram affects participation versus other factors beyond REC prices? Please provide details and examples.

Joint EEC Response: Developers and long-term owner operators are pausing agreements with EECs because of uncertainty with federal tax credits, but also because the additional costs associated with utilizing an EEC not offset by program benefits such as higher EEC REC pricing or ample EEC block capacity. The Joint EEC Parties are observing a trend where the number of EEC Block co-development partnerships with developers and long-term asset owners is becoming limited. Rather than participating in Illinois Shines, many Illinois developers and long-term asset owners are monetizing RECs through third-party PJM and MISO REC trading contracts. While these third-party REC contracts are not as lucrative as REC contracts in Illinois Shines, developers oftentimes pursue this route to avoid added costs associated with program compliance such as including EEP labor under the MES, abiding by residential/small commercial subscriber ratios, or

utilizing EECs. If EEC community solar REC pricing declines, there will be no incentive for developers and asset owners to partner with EECs in the program, as opposed to eschewing Illinois Shines altogether. The Agency can incentivize partnerships between developers, long-term owner operators and EECs by granting EEC CS projects and EEC DG projects a REC price higher than its counterparts (i.e., Regular DG and TCS). The Illinois Power Agency Act states:

“The percentage or amount of capital advanced prior to project energization shall not operate to increase the overall contract value, however contracts executed under this subparagraph may feature renewable energy credit prices higher than those offered to similar projects participating in other categories” (20 ILCS 3855/).

The Joint EEC Parties ask the Agency to increase REC prices for the EEC CS and EEC DG categories to provide a motive for developers to work with EECs to self-perform development and installation of EEC CS and EEC DG projects. Including EEC self-performance on projects comes with additional costs. EEC projects need to financially make sense for developers to utilize EECs for a more extensive scope versus pushing developers to pursue third-party PJM and MISO REC contracts outside of the program that distribute RECs to other states outside of Illinois. Not only are these third-party REC contracts taking opportunities away from EECs, but they are also inhibiting Illinois from meeting its clean energy goals by 2050. EEC projects and EEC contracts in the program need to be able to compete with “non-ABP projects” and “non-ABP contracts.” Furthermore, TCS projects scored with EEC points and CDCS projects that work with EECs should receive a higher REC price than projects in these categories that do not utilize EEC Designees or EEC subcontractors.

What key factors related to REC prices are contributing to the over-participation (waitlisted projects) in Illinois Shines and/or ILSFA? What is the weight of REC Prices as the factor that may be negatively impacting category participation versus other factors beyond REC prices? Please provide details and examples.

Joint EEC Response: Each year, the Public Schools Category in Illinois Shines is always undersubscribed due to multiple levels of approval projects must go through with school boards, community support, and financing. Schools may lack the in-house expertise to perform operations and maintenance on their systems. For community solar systems built on public schools, the public school or school district must subscribe to a minimum of 10% of the project’s capacity as an anchor tenant while certain schools may not require this level of offset as compared to buildable area.

Within one week after the closing date of a delivery year’s annual block, 25% of any uncontracted capacity from the Public Schools category is rolled over to the subsequent delivery year, and the remaining 75% is allocated to other categories in accordance with the prioritization outlined in the

Long-Term Plan. While developers in the TCS block are submitting projects that get stuck on an extensive waitlist, the Public Schools category is always left unused. 25% of the uncontracted capacity from Public Schools should be rolled over into the TCS category for projects specifically **scored with EEC points**. The Joint EEC Parties understand this would contradict the TCS waitlist, “first-come-first serve rule,” however, this change would incentivize partnerships between developers entering into arrangements with EECs for TCS waitlist points.

Additionally, during the 2025-2026 delivery year, the EEC CS block is still listed as the sixth position to receive uncontracted capacity from the Public Schools category. The Group A EEC CS block needs the remaining 75% uncontracted capacity rollover from the Public Schools category more than the EEC DG category which is currently listed as the third position to receive uncontracted capacity. 25% of EEC DG capacity is already held for the first eleven months of each program year for new, smaller EECs entering the market. There is no need for the EEC DG category to be in the third position to receive uncontracted capacity when this category is already undersubscribed.

Are there other methodologies for setting REC prices that the Agency should consider instead of the cost-based modeling approach currently being used? If so, what would this methodology look like and what would the process of setting REC prices look like under this methodology?

Joint EEC Response: The NREL CREST model used to calculate program REC prices oftentimes contains certain inputs that are inaccurate compared to tangible project models in the Illinois market. For example, in the March 2025 CREST model used for proposed REC pricing in the 2025-2026 delivery year, the CREST model included unrealistic land lease prices, inaccurate EPC prices, and an assumed 30% ITC. Moreover, the March 2025 CREST model did not take pricing for EEC projects into consideration. Instead of using the NREL CREST model for the Agency’s next RPS Budget Forecast Stakeholder Feedback request, the Agency should solicit specific data from Illinois solar developers and EECs in their own project models for administratively set REC prices.

The Joint EEC Parties thank the Agency for providing us with an opportunity to comment. We are grateful for the Agency’s support of EECs and EEPs in the Illinois clean energy sector.

Respectfully Submitted,

The Joint EEC Parties