ADVANCED ENERGY UNITED™

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Illinois Power Agency
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Comments of Advanced Energy United on the Illinois Power Agency's Draft 2026-2028 Long Term Renewable Resources Procurement Plan

Introduction

Advanced Energy United ("United") respectfully submits the following comments concerning the Illinois Power Agency's ("IPA") Draft 2026-2028 Long-Term Renewable Resources Procurement Plan ("Draft Plan") released on August 15, 2025.

United appreciates the opportunity to provide input and looks forward to participating throughout the ensuing approval process. United engaged in the development of earlier iterations of the IPA's Long-Term Renewable Resources Procurement Plan ("LTRRPP") and offered input concerning the development of the Draft Plan. United largely supports the Draft Plan but provides comments on a few areas where improvements can be made. United addresses various issues in the order in which they appear in the Draft Plan and provides a table of contents to facilitate consideration of United's concerns. The lack of a response to a specific question should not be construed as support for or acquiescence to a particular aspect or proposal for the Draft Plan. United may develop further positions as the approval process continues.

United is a national trade association that educates, engages, and advocates for policies that allow its member companies to compete to power the economy with 100% clean energy. United is the only national trade association that represents a broad spectrum of clean energy providers and facilitators. Members include front-of-meter and behind-the-meter renewable energy and battery storage manufacturers and developers, electric vehicle ("EV") and EV charging equipment suppliers, providers of energy efficiency, demand response, and virtual power plants, as well as larger users of energy wanting to ensure that clean energy is available on the grid to facilitate corporate sustainability goals. United works with decision-makers at the federal and state levels of government as well as regulators of energy markets to achieve this goal. The

businesses United represents, which include several businesses operating in Illinois, are lowering consumer costs, creating thousands of new jobs every year, and providing the full range of clean, efficient, and reliable energy and transportation solutions.

While United's comments on the Draft Plan are focused primarily on addressing questions which the IPA raises as requests for stakeholder input, United acknowledges that many of the recommendations are in a sense secondary to the need to avoid a budget shortfall. The consequences of a funding shortfall in 2027 would be severe, undermining market stability, disrupting project pipelines, and eroding the confidence of developers, investors, and communities that are seeking to invest capital and resources into renewable energy projects. As a result of the federal government's budget reconciliation, House Resolution 1 ("H.R. 1") signed on July 4, many developers and vendors of such projects and services, particularly those which are smaller businesses and those participating in the Renewable Portfolio Standard ("RPS") programs, are facing lay-offs as project economics are shifting, supply chains have become more expensive or disrupted, and planned investments are cancelled or delayed. The effects extend to local contractors, suppliers, and communities that rely on clean energy projects for job opportunities and tax revenue. Without a state-level response to the projected shortfall to provide confidence in the State's RPS budget and stabilize the market, Illinois risks back-sliding from the progress in workforce and projects since the passage of the Future Energy Jobs Act in 2016.

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Chapter 2 – Statutory Requirements of the Plan

Section 2.8.4 - Illinois Solar for All—Third-party Program Administrator

United notes that among the responsibilities of the Solar for All Program Administrator is:

> Coordinating its activities with entities implementing electric and natural gas income-qualified energy efficiency programs, including customer referrals to and from such programs and *sharing data*, and connecting prospective low-income solar customers with any existing deferred maintenance programs where applicable. (Draft Plan, p. 42) (emphasis added)

The data sharing element referenced therein is at least in part dependent on utility data sharing mechanisms. As have been discussed in the Illinois Commerce Commission's ("ICC") Data Access Working Group, gaps exist in the current data-sharing tools utilized by the utilities. While the IPA's ability to effectuate changes in this regard is limited, United wishes to take this opportunity to urge all involved stakeholders to expeditiously resolve issues surrounding data sharing in order to facilitate the Solar for All Program Administrators tasks as well as accomplish the other goals that robust data sharing mechanisms can support.

Chapter 3 – REC Portfolio, RPS Goals, Targets, and Budgets

Section 3.2.3 – RPS Targets

Regarding the competitive procurement of renewable energy credits ("RECs") to meet the statutory RPS targets, the IPA is interested in resolving an issue associated with procurement lag. Procurement lag can occur when the quantity of RECs procured through the competitive procurement are lower than the quantity sought for the technology in that procurement, either due to not clearing the benchmark or due to challenges in developing that specific technology (i.e., developers fail to bid enough projects to cover the target for the procurement event). (Draft Plan, p. 54) Specifically, the IPA recognizes that while REC targets for utility-scale solar, wind, and hydropower, and brownfield site photovoltaics are pre-defined in each procurement event, those targets are not always achieved, leading to a delay or lag between when the procurement shortfall occurs and the subsequent procurement event when that shortfall is added. To resolve this issue, the IPA is proposing to automatically roll the procurement shortfall from the under-subscribed technology to the over-subscribed technology(ies) in that same procurement event. The IPA would continue to utilize the confidential benchmark to evaluate bids, thus any over-subscribed technology that now has additional available supply through this automatic roll forward process would first have to beat the benchmark before being selected.

United generally agrees with the IPA's proposal to automatically roll the procurement shortfall from under-subscribed technology to over-subscribed technology for an individual procurement event in order to resolve the issue of procurement lag. This proposal would allow no RECs to be left un-procured during a procurement event due to technology or market constraints, and would create opportunity for technology areas with high demand in Illinois to procure unused RECs. Although United supports procuring RECs for specific technologies that have been historically under-subscribed, United believes that the IPA's proposal is reasonable and will help achieve overall RPS targets.

Section 3.3.2 – Alternative Compliance Payment Funds Held by the Utilities

Alternative Compliance Payment ("ACP") funds currently held by the utilities are legacy funds that were previously collected from Alternative Retail Energy Suppliers and hourly-priced utility customers prior to the enactment of Future Energy Jobs Act ("FEJA"). (Draft Plan, p. 69) In the first LTRRPP, it was decided that the utility-held ACPs

should be used in each delivery year *after* funds are used for both Forward Procurements and the Illinois Shines Program, which ultimately provides the IPA with a reserve balance of funds through which it could cover expenditures in excess of collections. The IPA states that this approach was necessary to minimize the risk of payment deferrals in the 2021-2022 delivery year and the two years directly thereafter due to the projected negative Net RPS Budget during that timeframe. (Draft Plan, p. 70). According to Table 2 in the Draft Plan, ACP funds currently held by utilities and available to the IPA amount to $110,534,234.

Following enactment of Public Act 103-1066 in 2025, the IPA does not see the need for the above approach and proposes that any available utility-held ACP funds be rolled over to RPS Collections for the years that a budget deficit is projected. United agrees with the IPA's proposal and notes that utilizing these funds will help mitigate the risk of a budget deficit or shortfall in future program years. Utilization of these funds in an effective manner is critical to ensure that proper funding is deployed to achieve the outlined RPS targets and accomplish Illinois' renewable energy goals.

Chapter 4 – Renewable Energy Credit Eligibility

Section 4.5 – High-Voltage Direct Current Transmission Lines and Converter Stations

In 2021, Illinois passed P.A. 102-0662 related to high voltage direct current ("HVDC") transmission lines and allowed the IPA to qualify RECs "associated with the electricity generated by a utility-scale wind energy facility or utility-scale photovoltaic facility and transmitted by a qualifying direct current project to a delivery point on the electric transmission grid located in this State or a state adjacent to Illinois," but only if the out-of-state public interest criteria scoring is satisfied. (Draft Plan, p. 106) The IPA's initial interpretation of the statutory language is that the delivery point of the electricity generated by the renewable energy project should be treated as the location of the generating facility in public interest criteria scoring. The IPA, however, acknowledges that this interpretation could create a conflict due to the fact that projects utilizing qualifying HVDC connections would be treated equivalently to projects that do not. Due to this assumed conflict, the IPA is still assessing what demonstration is necessary for qualification and how this new approach to RPS qualification can be integrated into its source-specific competitive procurement processes.

United appreciates the IPA's proactive effort to address this issue before HVDC projects are completed through Illinois. United agrees with the IPA's interpretation that the point of delivery of an HVDC-connected project should be used as the location of the

generating facility in public interest criteria scoring. United recognizes the IPA's concern over treating out-of-state HVDC connected projects equivalent to out-of-state projects not connected through a HVDC transmission line. While the geographic project center has been used by the IPA in prior program years, if the IPA is troubled by the incongruity, it might want to consider seeking stakeholder input on the question of using the delivery point for all out-of-state projects in the public interest scoring criteria. United may or may not support such a move pending input from its members.

Chapter 5 – Competitive Procurements

Section 5.4.3 – Labor, Diversity, and Equity Requirements

Section 1-75(c-10)(3) directs the IPA to develop requirements for applications and include in its bid evaluation methodology preferences for bidders that utilize a higher percentage of equity eligible contractors ("EECs") and equity eligible persons ("EEPs"). To date, projects selected through the IPA's competitive procurement have yet to take advantage of the bid evaluation price adjustment for equity eligible commitments above the Minimum Equity Standard ("MES") percentage requirement. The IPA therefore proposes to increase the bid evaluation price adjustment from 1% to 1.5%. (Draft Plan, pp. 126-127) United supports the proposal to increase the bid price adjustment to 1.5% as a step towards identifying the appropriate bid price adjustment which may encourage utilization of the measure. However, improved bid competitiveness does not address the lack of a financial incentive to exceed the MES, since winning contracts are paid what they bid. As more EECs and EEPs enter the industry, United supports improvements to bid competitiveness as an incentive for further training and hiring.

Section 5.4.8 – Post-Award Contract Changes

The IPA seeks feedback on how effective the one-time, post-award adjustment to annual REC delivery quantity and inflation adjustment mechanism have been in reducing developer risk and whether any changes should be made. (Draft Plan, p. 132) United notes that the IPA procured approximately 43% of its wind and hydroelectric REC procurement target (though the IPA did exceed its REC procurement target for solar resources). At present, United does not have knowledge regarding clear evidence that the adjustment mechanisms directly influenced developer participation in the Summer 2025 event. Nonetheless, because these mechanisms are designed to mitigate risk, it is important to evaluate whether they are structured in a way that provides meaningful certainty and flexibility. In making adjustments to these mechanisms, the IPA should consider other financial risks that developers face to ensure that the mechanism is responsive to the current drivers of risk. These financial risks include interest rate movements that affect project cost financing, as well as tariff and trade policy changes

that directly impact the cost of equipment. As discussed in relation to Section 5.7.3, United recommends a one-time strike price adjustment due to equipment cost increases as a result of tariffs.

Section 5.5.2 – Brownfield Site Photovoltaics

The IPA seeks feedback on solutions to increase the amount of RECs procured from Brownfield PV projects. (Draft Plan, p. 137) The IPA awarded contracts to two Brownfield Solar projects in the Summer 2025 procurement event accounting for approximately 20% of the Agency's goals. Consistent with comments submitted on the IPA's June 2025 comment opportunity on the Draft Plan, United recommends that the IPA consider price "adders" or REC multipliers to encourage more Brownfield Solar projects, consistent with practices from other states, like Maryland with the passing of Maryland Senate Bill 783 in 2024.[1]

Section 5.6 – Schedule for Competitive Procurements

The IPA proposes maintaining the 45% wind and 55% solar procurement split and seeks feedback on its proposal to roll over unmet REC capacity from a given technology to that same technology in a subsequent procurement. (Draft Plan, p. 141) As discussed in comments pertaining to Chapter 3, United generally agrees with the IPA's proposal. Moreover, for the 2026-2028 LTRRRPP, United recommends that the IPA attempt to meet its total REC procurement targets through any combination of technologies participating in the procurement event. The State is not on track to meet its 2030 REC delivery goals and therefore United recommends focusing on earlier project REC delivery with an eye towards achieving the 45%/55% target. Unmet REC capacity should still be rolled over to the applicable technology in the subsequent procurement event, however, resource adequacy concerns and REC delivery shortfalls are significant challenges which merit focusing less on the procurement split. If the IPA adopts this recommendation, United recommends that the IPA reconsider this approach in its next LTRRPP.

The IPA also proposes procuring half of the competitive procurement's REC target during the first procurement event (Summer 2026), with the remaining capacity split evenly among the following three procurement events (Fall 2026, Summer 2027, and Fall 2027), subject to an upward adjustment based on unfulfilled REC quantities. (Draft Plan, p. 141) United supports this approach, as it provides a greater opportunity for projects attempting to meet deadlines imposed by H.R. 1 to take advantage of the ITC.

[1] *See* The Maryland Public Service Commission's overview of 2024 Maryland Senate Bill 783 – 'The Brighter Tomorrow Act' available here: https://www.psc.state.md.us/electricity/wp-content/uploads/sites/2/SB-783-Implementation-Fact-Sheet-and-FAQs_112024.pdf

Section 5.7.3 – Indexed REC Contract Flexibility

The IPA seeks feedback on whether there are contract flexibility challenges not resolved by the following measures it proposes or previously instituted including: guardrails in the event of REC delivery shortfalls, an increase to the REC degradation factor from 0.5% to 1%, the ability to change project capacity after the initial Standing Order, the ability to change project size prior to construction, and the opt-in to inflation price adjustment mechanism. (Draft Plan, pp. 144-145) These measures largely address operational or performance uncertainties and provide "breathing room" in the event that project design changes result in underperformance, while the opt-in inflation adjustment mechanism addresses some of the macroeconomic risks. Developers, however, face potential tariff-driven cost risks which can be imposed suddenly and materially impact project economics. To address the risk of tariffs imposed on project equipment, United recommends a one-time price adjustment if the project developer submits documentation showing cost increases tied directly to tariffs. The IPA should include in its contract that if sufficient evidence is provided which indicates that a project is no longer economically feasible for a developer, the IPA will request a strike price adjustment or otherwise allow for termination of the contract without penalty.

Section 5.7.4 – Regulatorily Continuing Provision in Indexed REC Contracts

The IPA seeks feedback on best practices to address challenges on regulatory continuing clauses and offers the notion of allowing either the utility or developer to petition the Illinois Commerce Commission ("ICC") to consider non-price related contract amendments that would bring the project into compliance following any changes in law or regulations which impact REC delivery or contractual obligations. (Draft Plan, p. 145) United supports this notion and considers it a reasonable means to address problems beyond a developer's control. At a minimum, such a mechanism could be piloted under the 2026-2028 LTRRPP.

Section 5.7.6 – Use of Surety Bonds to Meet Seller's Collateral Requirement

Article 7 of the IPA's Indexed REC contract currently provides that a Seller may demonstrate performance assurance by either posting a letter of credit or providing cash collateral with a Buyer if a Seller's collateral threshold is lower than the collateral requirement. (Draft Plan, pp. 146-147) The IPA seeks feedback on potential benefits or drawbacks to including surety bonds as a means for Seller to provide performance assurance. So long as use of a surety bond is provided as an additional option and not the only means available to demonstrate performance assurance, United supports allowing the use of surety bonds. The primary party of interest under the REC contract is the obligee, which is protected under the arrangement between the principal and surety. Such additional flexibility should improve the development prospects of projects, which is in the interest of the State RPS.

Chapter 7 – Illinois Shines (Adjustable Block Program)

Section 7.3.1.1 – Group A Oversubscription Challenges and Solutions

In the 2024-2025 and 2025-2026 Program Years, the IPA employed a REC price adjustment cap of 20% for all waitlisted distributed generation projects. In light of current market challenges and conditions, the IPA does not plan to implement a price adjustment cap for the 2026-2027 and 2027-2028 Program Years but will continue to monitor market changes and consider if a REC price adjustment cap would be beneficial for waitlisted projects in future versions of the LTRRPP. (Draft Plan, p. 182) United understands the absence of a price adjustment cap to mean that waitlisted projects will receive the REC value available in the next program year, regardless of the degree to which the value changes. United anticipates a rush of distributed generation projects due to citizens attempting to take advantage of the federal investment tax credit before it expires. Given the short time period available (i.e., 6 months) to take advantage of the tax credit after the passage of H.R. 1 and an interest in protecting customers from further unexpected changes in project economics, United urges the IPA to maintain the 20% price adjustment cap to ensure some degree of certainty for customers and their investment.

Section 7.3.4 – Uncontracted Capacity at the Close of a Program Year

The IPA proposes to start tracking the capacity associated with projects that were under contract but were withdrawn or removed from a program and allocated a previous Program Year's capacity. The IPA proposes to redistribute the capacity through the reallocation process following the 2026-2027 Program Year. (Draft Plan, p. 186) United supports gathering this information and reallocating such capacity as a way to fully utilize available RECs and improve Illinois' ability to reach its clean energy goals.

Section 7.4.3.1 – Traditional Community Solar Scoring Guidelines

Under the "Built Environment" scoring category for traditional community solar, the IPA has observed some difficulty regarding the requirement for active grazing at Part II verification for projects that commit to grazing in order to receive points under the criteria for 1.d. To potentially remedy this issue, the IPA is considering whether it should

utilize contracts between a landowner and a herd owner as evidence of "active grazing," and is additionally considering whether increased inspections on grazing projects may provide a solution to the difficulty of showing "active grazing." (Draft Plan, pp. 190-191) United supports relying on contracts or a signed agreement between a landowner and a herd owner as evidence of active grazing. To the extent that a grazing contract term is not as long as a REC contract, the IPA could address this by requiring a participant to maintain an effective grazing contract "on file" with the IPA for the duration of the REC contract. While increased inspections on grazing projects may also address this concern, United opines that the associated burden for all parties involved would exceed the burden of maintaining an effective grazing contract with the IPA. For this reason, United prefers the former option over increased inspections.

As is the case during the 2025-2026 Program Year, all projects submitted after the day that blocks are filled will also be subject to the minimum 5-point waitlist threshold to obtain a slot on the waitlist. Projects which do not receive 5 points are eligible to reapply in the following Program Year (opening June 1). (Draft Plan, p. 194) If the application of the 5-point minimum threshold results in no waitlisted projects, United suggests that the IPA reduce the threshold by 1-point increments and rank waitlisted projects by points earned (subject to the usual "tie-breaking" means employed by the IPA for projects with the same number of points). In this manner, projects considered "higher value" under the IPA scoring guidelines are still prioritized.

Section 7.5.3 – Modeling Updates

The IPA has included the assumption that the ITC value is available in the REC Pricing Model for the 2026-2027 Program Year. (Draft Plan, p. 213) While United understands the rationale offered by the IPA in the Draft Plan for most of the project types, it is concerned that one category of projects will clearly not have access to the ITC. Specifically, small distributed generation solar projects purchased by the system beneficiary will not have access to the ITC after December 31, 2025. Thus, no such projects during the 2026-2027 Program Year, which begins on June 1, 2026, will benefit from the ITC. United encourages the IPA to recognize this and accommodate this easily distinguishable customer group by providing an appropriate adder to make up for the absence of the ITC.

Section 7.12.4 – Relief for Abandoned Contracts

The IPA proposes to define an "abandoned contract" in the following way: an Energized (Part II verified) system which is no longer delivering RECs to the utility due to a change in ownership of the real property upon which the system is sited. The IPA seeks input on several aspects relating to when to consider a contract abandoned. (Draft Plan, p. 257) With regard to whether non-delivery of RECs should be considered a threshold criterion of an "abandoned contract," because the delivery of RECs underpins a REC contract, United considers it logical that non-delivery, i.e., contract non-performance, would be necessary before a contract is considered abandoned. As to whether and how to incorporate community solar projects into this definition, United would prefer to have additional information about how this problem manifests in relation to community solar projects. Because community solar subscribers are expecting production from the project, United anticipates there being a lower likelihood of abandonment, or in other words, a failure to deliver RECs. Establishing a minimum time period without REC delivery also represents a reasonable element in determining that a contract is abandoned. Consistent with Sections 4.2(g) and 4.2(f) of the 15-year and 20-year REC delivery contracts, respectively,[2] United suggests using 12 months as the minimum period without REC delivery before a contract is deemed abandoned.

Conclusion

United appreciates the IPA's consideration of its comments on the Draft Plan and looks forward to continued participation in the process for approving the 2026-2028 LTRRPP at the ICC.

John Albers, Director
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[2] See https://illinoisshines.com/program-documents/#rec-contracts for REC delivery contracts.