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VISTRA CORP.'S COMMENTS ON ILLINOIS POWER AGENCY'S DRAFT 2026 LONG-TERM RENEWABLE RESOURCES PROCUREMENT PLAN

I. Introduction

In accordance with 220 ILCS 5/16-111.5(b)(5) and the Illinois Power Agency's ("IPA") August 15, 2025 announcement, Vistra Corp. ("Vistra") is submitting the comments below on the IPA's draft 2026 Long-Term Renewable Resources Procurement Plan ("Draft 2026 LTP" or "Draft LTP"). As will be seen below, Vistra's comments are focused on Chapter 5, Competitive Procurements" of the Draft 2026 LTP.

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II. Comments on Indexed REC Contract Terms

In the Draft 2026 LTP, the IPA requests comments on various provisions in the Indexed REC Contract form used in the IPA's Summer 2025 renewable resources competitive procurement for RECs from utility-scale wind and solar facilities and brownfield site photovoltaic facilities ("Brownfield solar"),[1] including comments on amendments introduced to the Indexed REC contract for the first time in the Summer 2025 procurement. Draft Plan §5.4.8 (pp. 131-133); §5.7 (p. 143); §5.7.3 (pp. 144-145); §5.7.4 (pp. 145-146). Vistra's overall response is that it found the Indexed REC contract used in the Summer 2025 procurement event, including contract amendments included for the first time in that event, to represent a marked improvement over previous versions of the Indexed REC contract, including the contract forms used in the IPA's immediately preceding two utility-scale competitive procurement events. With one caveat (described beow), Vistra is comfortable if the IPA continues to use the Indexed REC contract form used in the Summer 2025 procurement. Vistra would find continued use of that contract form to be satisfactory. Further, it could be informative to use essentially the same Indexed REC contract form for several consecutive utility-scale competitive procurements, to see and evaluate whether repeated use of the same contract has any impact on participation levels in the procurements as well as on procurement outcomes.

Vistra's caveat is that in light of federal legislative, executive and administrative actions (and, potentially, litigation), some of which is and will be ongoing, concerning the availability of and eligibility for federal production and investment tax credits for wind and solar renewable energy projects, there will be continuing uncertainty as to the economics and viability of utility-scale wind and solar projects. Therefore, the Indexed REC contract should provide for the availability of amendments or cancellation (without penalty) based on material changes occurring

[1] In these Comments, Vistra includes Brownfield solar projects as "utility-scale," recognizing that some Brownfield solar projects will have a capacity less than 5 megawatts ("MW"), and therefore would not qualify as "utility scale."

after project selection and contract award with respect to availability of and eligibility for federal tax credits. The Summer 2025 procurement contract added a provision to address this issue, and in the draft Indexed REC contract proposed by IPA for the upcoming Fall 2025 procurement (released for stakeholder comment on September 22, 2025), the IPA has included an additional provision to address the issue of contracted projects (that are not yet generating electricity) becoming uneconomic due to elimination or reduced availability of or eligibility for the federal tax credits. Vistra supports inclusion of these provisions in the Indexed REC contract form(s) to be used in procurements conducted pursuant to the 2026 LTP.

III. Comments on Proposals for Increasing the Number of RECs Contracted in Utility-Scale Competitive Procurements

In the Draft 2026 LTP, the IPA presents for comment proposals intended to increase the number of RECs from utility-scale facilities selected in procurements, with the objective of meeting or at least coming closer to the target levels of RECs in both individual procurements and in the aggregate over time (*e.g.,* to reach the statutory target (20 ILCS 3855/1-75(c)(1)(C)(i)) of 45 million additional RECs per year, or 40% of the State's electricity usage, by 2030). In §IV of these Comments, Vistra has specific proposals on this topic relating to Brownfield solar facilities and procurements. The comments in this §III relate to all renewables procurements.

In §5.6 (p. 141-142) of the Draft Plan, the IPA offers several proposals on the above-described topic.

> First, as Vistra understands it, the IPA proposes that if there are unfilled REC targets in a utility-scale procurement, the IPA could roll those unfilled REC targets forward to the next utility-scale procurement of the same technology (*e.g.*, wind-to-wind), to be added to the already established and approved targets for the subsequent procurement event.
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> Second, as Vistra understands it, the IPA proposes that if the REC target for a particular technology type (*e.g.*, utility-scale wind) in a procurement event is not achieved, the IPA can use the "shortfall" in targeted RECs for that technology type to procure RECs from a different technology type (*e.g.* utility-scale solar) in that procurement event.
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> Third, as Vistra understands it, where a renewable project previously selected is terminated without delivering contracted RECs, the IPA could add the number of RECs contracted for from the terminated project to the target for the same technology type in a subsequent procurement.[2]

In general, these approaches would free the IPA from being limited to procuring only (at most) the targeted number of RECs from each technology type in each scheduled procurement that were specified in the applicable long-term plan approved by the Commission.

[2] In each of these approaches, the Indexed REC strike price for the RECs ultimately selected would have to meet or be lower than the applicable benchmark strike price. In addition, consistency with applicable rate caps and related cost-recovery provisions would need to be maintained.

Vistra supports adoption of all the above-described approaches. These approaches would give the IPA greater flexibility in managing REC targets and procurement results to achieve the numbers of RECs specified in §1-75(c)(1)(C)(i) of the IPA Act. Further, from the developer perspective, these approaches would increase the available targeted RECs and projects which could be selected in a procurement event, and eliminate frustrating scenarios in which there are more qualifying RECs bid than targeted of a particular technology type in a procurement event and fewer qualifying RECs bid than targeted of a different technology type. Finally, there is no good reason why RECs from a terminated contract should not be re-allocated into the REC targets to be potentially supplied by another project.

In addition, if it is not doing so already,[3] the IPA should use the approach sometimes referred to as the "soft cap" in selecting the winning bidders in an Indexed REC procurement. Under this approach, if (for example) the IPA's target for RECs from a particular technology type in a procurement event is for 5,000 RECs, the three lowest strike price bids (all at or below the confidential benchmark) are from projects whose capacities total 4,800 RECs, and the next lowest strike price bid (still below the benchmark) is for 1,000 RECs, the IPA should select that fourth lowest bidder for the full amount of its offered RECs, even though this results in a total procurement of RECs from this technology type of 5,800 RECs, exceeding the original target. This approach would enable the IPA to select additional projects for additional RECs (that meet the benchmark) even though the REC target for the particular technology type is exceeded.

IV. Comments Relating to Brownfield Solar Projects

A. IPA's Requirement that the Entire Brownfield Solar Project be Located Within the Remediation Area[4]

In the Draft Plan, the IPA solicits comments from Brownfield solar developers as to barriers to Brownfield site development which could be addressed in the 2026 LTP.[5] (§4.4.2, pp. 136-137.) The Draft LTP documents the failures of procurement events to secure sufficient RECs from qualifying Brownfield solar projects to meet the statutory REC targets. *See* Draft LTP at p. 117 (actual REC volumes procured from utility-scale solar and Brownfield solar projects have fallen short of target quantities); p. 123 ("overall, the Agency's procurement events have not featured sufficient participation to meet target REC procurement quantities for brownfield site photovoltaic projects"); and pp. 136-137 (reporting REC targets and procurement results for post-CEJA procurement events for Brownfield solar RECs).

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[3] The Draft Proposal Requirements for the Fall 2025 procurement, released by the IPA on September 22, 2025 for stakeholder comment, state that "It is possible for the annual quantity of RECs for the selected Projects to exceed the Target associated with a Category by up to 50%. . . ."

[4] In the Docket 23-0714 Reopening proceeding, the "Joint Solar Parties" and Advanced Energy United advocated for a proposal similar to that articulated in this §IV.A; however, several other parties including the IPA argued the proposal was outside the scope of the Reopening proceeding and should instead be addressed in the proceeding for approval of the 2026 LTP (*i.e.*, in this proceeding). Accordingly, it is now appropriate to address (and adopt) this proposal.

[5] Vistra and its affiliates have successfully completed solar projects and battery energy storage projects situated on contaminated or remediated properties in several states.

Vistra's response, based on its experience, is that the number one barrier in Illinois is the requirement that the entire Brownfield solar project must be located on the portion of the property that is regulated by one of the environmental authorities specified in §1-10 of the IPA Act under one of the remediation programs listed in §1-10 (referred to in these comments as the "remediation area" or "contaminated area"). Further, there is no close second place in terms of barriers to developing these projects.

The difficulties presented by this requirement are manifold, and are not limited to the additional costs associated with remediation requirements under the applicable program specified in §1-10 and the additional costs of installing a solar project on top of a contaminated area that is undergoing remediation. Under IPA's current approach, the Brownfield solar project must be designed so that 100% of the project is located within the remediation area, the size, location, and topography of which are based on factors and requirements unrelated to the design, installation and operation of the solar project, but which rather may conflict with optimum design, installation and operation principles for the solar project. The "100% in the remediation area" requirement may mean that the solar project must be reduced in size and capacity, as compared to the optimum configuration, so that 100% of the reduced-size facility can fit within the remediation area. The resulting, reduced-size solar project will only be able to produce a smaller volume of RECs, and will have higher per-MW and per-REC costs than would otherwise be the case, given the need to recover fixed costs through payments for a smaller number of RECs. These difficulties may lead to a property being rejected for development, resulting in the property producing zero RECs, and no money being spent on remediating the contaminated portion of the property nor on redeveloping the uncontaminated remainder of the property. This may be the case even if the remediation area occupies only a relatively small fraction of the total property.

In the Reopening proceeding on the 2024 LTP, IPA argued that the proposal to eliminate the "100% in the remediation area" requirement was contrary to the legislative intent of the General Assembly to incentivize remediation and restoration of contaminated properties. However, as the Draft 2026 LTP graphically demonstrates, that legislative intent is not being achieved, as Brownfield solar REC procurements consistently fall short of targets, which has driven the IPA to plead for new ideas to address the history of shortfalls. In terms of the objectives of meeting the State's renewable portfolio standard and REC procurement goals, Brownfield projects that are never developed due to the above-described difficulties contribute nothing to achievement of these objectives. The IPA's adherence to the "100% in the remediation area" requirement is proving to be a classic example of the perfect being the enemy of the good.

In reply comments in Docket 23-0714 (on Reopening) regarding the 2024 LTP, the IPA stated that it allowed Brownfield solar projects to be collocated with "greenfield" projects and that if a Brownfield solar project were larger than the remediation area, the developer could simply separately meter the "greenfield" portion of the project to record the number of RECs produced by the "greenfield"-sited portion of the project.[6] Vistra's view, based on its experience in designing and installing solar projects, is that the co-location referred to by the IPA does not enable significant cost savings for the Brownfield solar project. The only potential cost savings from this

[6] Illinois Power Agency Verified Reply to Responses on Reopening, Docket 23-0714, Sept. 12, 2025, p. 6.

configuration would result from having a single point of interconnection and, potentially, from purchasing and installing a larger transformer. However, these advantages do not produce sufficient cost savings to make a difference. The co-located projects must still be engineered as separate projects; cabling has to be designed, procured and installed for separate projects; and there is little or no cost savings in the purchase and installation of individual solar panels and support structures. Overall, this co-location approach still results in smaller Brownfield solar projects with higher costs per MW of capacity and per REC produced.

The requirement that 100% of the solar project must be located on the remediation area is not compelled by statute. Section 1-10 of the IPA Act defines "brownfield site photovoltaic project" as photovoltaics "located at a site that is regulated by any of the following [enumerated] entities under the following [enumerated] programs." What constitutes being "located at a site" is not further defined or explained in the statute. The IPA Act does not constrain the IPA from construing this statutory language as requiring the solar project to be located on a property ("at a site") a portion of which is being remediated under one of the enumerated programs, even if the solar project is not or will not be located entirely on the remediation area. Simply put, "located at a site" (the statutory language) does not equate with the IPA's "entirely contained within" requirement (specified in the IPA's Procurement Rules). Faced with recurring difficulties in meeting the overall statutory REC targets that are at the foundation of the State's clean energy goals, it is surprising that the IPA continues to adhere to the administratively-imposed "100% of the solar project on the remediation area" requirement.

In discussion of this issue in the Docket 23-0714 Reopening, some parties, including ICC Staff, expressed concern that a solar project could qualify as a Brownfield solar project for REC procurement purposes even if only a very small portion of a large solar project were located within the remediation area. Vistra views this as a reasonable comment, and accepts that some significant portion of the solar project should be required to be inside the remediation area, even if much of the solar project is located outside the remediation area.

Accordingly, and with the discussion in this §IV.A taken into account, Vistra urges the IPA to modify its requirement on location of a proposed Brownfield solar project to a provision such as the following: "At least 50% of the surface area of the solar project must be located within an area subject to regulation by one or more of the enumerated authorities under one or more of the remediation programs enumerated in Section 1-10 of the IPA Act." Such a provision would be a great improvement from the status quo, and, Vistra believes, will result in increased development of Brownfield solar projects and associated production of RECs, and increased redevelopment of properties containing contaminated segments, as the principal barrier to development of Brownfield solar projects will be removed (or at least mitigated).

B. Increasing from 3% to 5% the Targeted Percentage of RECs of the 45 Million Statutory Goal to be Procured from Brownfield Solar Projects.

In addition to the change to the Brownfield solar eligibility requirements proposed in §IV.A above, Vistra provides two additional proposals to create incentives for greater development of Brownfield solar projects, creating additional RECs that can be procured to help meet the State's clean energy goals. The first proposal is to raise the percentage of the targeted amount of the 45

million additional RECs by 2030 to be obtained from Brownfield solar projects, from 3% to 5%, using the statutory authority the IPA now has based on amendments to IPA Act §1-75(c)(1)(C)(i) adopted in Public Act 103-1066 enacted earlier in 2025.

With the statutory authority the IPA now has to modify the percentages of RECs to be procured from the various renewable energy technologies, in order to increase the ability to meet the statutory targets, the IPA should increase the percentage of the total targeted RECs allocated to Brownfield solar projects from 3% to 5%, to allow for selection of more Brownfield solar projects. If fully utilized, an increase from 3% to 5% would allow for procurement of 900,000 additional RECs per year from Brownfield solar projects. This increase would facilitate and be consistent with allowing Brownfield solar projects that are at least 50% located on a remediation area to be eligible for competitive Indexed REC procurements, as discussed in §IV.A above.

Further, some developers may eschew developing Brownfield solar projects and participating in IPA Brownfield solar procurements because of the limited number and size of projects and RECs that can be selected with a "cap" of only 3% of the overall REC target. The percentage of 3% of the 45,000,000 total RECs specified in §1-75(c)(1)(C)(i) of the IPA Act means that, if the 3% is treated as a cap, only 1,350,000 RECs per year (at most) can be procured from Brownfield solar projects in the 2022 (post-CEJA) to 2030 time frame. In at least one previous instance, Vistra had to bid a Brownfield solar-eligible project into the utility-scale solar procurement event because the size of that project almost exceeded the entirety of the Brownfield solar project RECs available for selection under the 3% cap. Going forward, one of Vistra's proposed Brownfield solar projects currently under development will likely exceed the number of RECs the IPA can procure given the 3% cap. Accordingly, Vistra recommends increasing the target percentage for RECs from Brownfield solar projects from 3% to 5% of the 45,000,000 overall (by 2030) REC target.

C. Making Brownfield Solar Projects Larger than 5 MW Eligible for the Bid Preference for Projects Located in Areas eligible to Receive Energy Transition Community Grants.

Section 1-75(c)(1)(P) of the IPA Act allows the IPA to provide a bid preference for "utility-scale projects that are located in communities eligible to receive Energy Transition Community Grants pursuant to Section 10-20 of the Energy Community Reinvestment Act." The IPA has developed and implemented such a bid preference but, for reasons not articulated, limits its availability to utility-scale wind and solar projects, and has not applied the bid preference to Brownfield solar projects. However, the authorizing statutory language uses the term "utility-scale," which is defined in §1-10 of the IPA Act as having a capacity greater than 5 MW. Further, the statutory text does not limit applicability of the bid preference to only wind and non-Brownfield solar projects. Therefore, the IPA should apply the bid preference it has developed pursuant to §1-75(c)(1)(P) to Brownfield solar projects with capacity greater than 5 MW.

D. Standing Offer Approach

In §5.5.2, p. 137, of the Draft LTP, the IPA suggests consideration be given to Brownfield solar procurements using "a standing offer at an administratively established price," although the IPA recognizes the "greater uncertainty associated with brownfield site photovoltaic project

development costs at the time of the project's application." Nevertheless, Vistra would be interested in further consideration and discussion of a "standing offer" approach in the 2026 LTP. Vistra understands a "standing offer approach" as one in which the IPA would post an offered REC price (or strike price) at which the electric utilities would contract with developers (subject, presumably, to total REC volume limits). The participating developer would be required to provide RECs at the standing offer price, and would need to control its costs below the standing offer price in order to be able to service its debt and earn a return. If Vistra's understanding is not correct, then Vistra would appreciate seeing in the filed 2026 LTP further description of what the IPA would see as the components of a "standing offer" approach; and in either event, how IPA would anticipate developing the standing offer price.