



Indexed Renewable Energy Credit (IREC) Contract for Utility-Scale Projects Renegotiation Guidance

February 1, 2026

Renegotiation after June 1st, 2026

On January 8th, 2026, Governor Pritzker signed the Clean and Reliable Grid Affordability Act (CRGA) (Public Act 104-0458)¹ into Illinois law, set to take effect on June 1, 2026. CRGA contains new language addressing the potential for post-award renegotiation of certain terms of select Indexed Renewable Energy Credit Agreements (IREC contracts) for competitively bid utility-scale projects. The relevant text is as follows:

“To ensure the successful development of new renewable energy projects supported through competitive procurements, for any procurements conducted under items (i), (ii), (iii), and (v) of this subparagraph (G) and any other procurement of new utility-scale wind or utility-scale solar projects that were entered into prior to January 1, 2025, the Agency shall allow, upon a demonstration of need to ensure the commercial viability of a project, for a one-time, post-award renegotiation of select contract terms prior to the project's commercial operation date through bilateral negotiation between the Agency, the buyer, and a winning bidder. Contract terms subject to renegotiation may include the project map, as defined under the applicable competitive solicitation, the real estate footprint or any limitations thereof, the location of the generators, or a potential reduction in the quantity of renewable energy credits to be delivered.

Provisions related to a renewable energy credit delivery shortfall and the event of default may be replaced with similar provisions approved by the Agency in subsequent years or subsequent to a successful bid.

Post-award renegotiation of competitively bid renewable energy credit contracts entered into prior to January 1, 2025 shall not be permitted to the extent such renegotiation would result in (1) the point of interconnection being within the service area of a different state, a different regional transmission organization zone, or a different regional transmission organization, (2) the generator no longer meeting the definition of the resource category for which the winning bidder was originally awarded a contract, (3) the generator no longer meeting the Agency's public interest criteria as established in the long-term renewable resources plan in effect at the time of the contract award, or (4) a change to material terms of the renewable energy credit contract unrelated to project land or footprint or the number of renewable energy credits to be delivered, including the applicable bid

¹ [10400SB0025enr](#)

price or strike price. If the Agency, the buyer, and the winning bidder reach an agreement on amended terms, then, upon petition by the winning bidder or current seller, the Commission shall issue an order directing the utility counterparty to execute an amendment drafted by the Agency with the revised terms to the renewable energy credit contract, the product order, or both. The Agency shall provide the amendment to the utility within 15 business days after the Commission's order, and the utility shall execute the amendment no more than 7 calendar days after delivery by the Agency."

Once the act becomes effective, the renegotiation provisions cited above will provide all projects that meet the criteria the opportunity for limited non-price renegotiation. Given the timing of this process, the IPA is currently working to develop the process for renegotiation requests if a project developer were to seek it, thus ***the IPA will issue specific guidance for the renegotiation process under P.A. 104-0458 at a date closer to June 1, 2026.***

Renegotiation before June 1, 2026

Until CRGA becomes effective June 1, 2026, whether contract terms can be modified under competitively-bid REC Contracts is dependent upon the contract. Similar provisions apply to projects selected during procurement events conducted prior to the Summer 2025 IREC procurement event and those conducted afterwards.

Contracts for the first category of projects, those selected through procurement events prior to the Summer 2025 event, do not provide for any post-award renegotiation of contract terms. If a project requires renegotiation of specified contract terms to be financeable and is unable or unwilling to delay renegotiation until on or after June 1, 2026 (the effective date of CRGA), the contract holder may petition the Illinois Commerce Commission (ICC) for changes to contract terms. For an example of this process, see ICC Docket No. 25-0212, in which a project successfully petitioned the ICC to reduce the quantity of RECs delivered under the contract terms.²

The second category of projects, those selected in the Summer 2025 and Fall 2025 IREC procurement events, have the same ability to petition the ICC for contract changes. Projects selected through these two procurements may also access two optional post-award contract change mechanisms:³ a one-time Inflation Adjustment Mechanism (if the developer opted into this provision at the time of bidding) and a one-time change to the annual REC delivery quantity ("Annual Quantity Adjustment Mechanism"). These two post-award mechanisms are contained within the IREC Contract. Details can be found in section 2.6 and 2.7 of the Summer 2025 IREC Contract.⁴

The Inflation Adjustment Mechanism allows for bidders to opt into a one-time bid price adjustment, capped at 15% upward or downward, to account for changes to project costs due to inflation. The formulaic adjustment is determined based upon changes to component capital costs and applicable interest rates between the Commission

² [ICC Docket No. 25-0212 Case Details](#).

³ [Downstream Negotiation for Indexed REC Contracts](#).

⁴ [FINAL-Indexed-Renewable-Energy-Credit-Agreement 28-MAY-2025.pdf](#)

Bid Approval Date and the Seller's selected Adjustment Reference Date, which may be either the expected Financial Closing Date or Notice to Proceed Issuance Date but must be at least six full calendar months after the Commission Bid Approval Date. Sellers who wish to avail themselves of this option must opt in to the inflation adjustment mechanism during the IPA's Indexed REC procurement event.

The Annual Quantity Adjustment Mechanism provides Sellers with an opportunity to request a one-time reduction of their REC delivery obligation prior to start of construction. To qualify for this adjustment, there must be a reduction of five percent or more in the project's proposed nameplate capacity or generation output as a result of changes to the land area being considered for the project; interconnection cost increases; transmission upgrade or reconfiguration cost increases; changes in construction material availability; or other changes deemed to be good cause by the IPA.