To: Illinois Power Agency
From: Union of Concerned Scientists and Vote Solar
Subject: IPA Long Term Clean Energy Procurement (LTCEP) Draft Answers
Date: April 28, 2026

We, Union of Concerned Scientists and Vote Solar, are members of the Illinois Clean Jobs Coalition (ICJC) Renewables Subcommittee; we respectfully submit our comments to the Illinois Power Agency (IPA), regarding questions surrounding the Long-Term Clean Energy Procurement (LTCEP). We thank the IPA for giving us the chance to help the IPA implement the Clean and Reliable Grid Affordability (CRGA) Act.

Question 1: What do stakeholders see as the purpose of this procurement mechanism in the context of the other IPA procurement mechanisms (i.e. the IPA's Electricity Procurement Plan, Long-Term Renewable Resources Procurement Plan, and forthcoming Energy Storage Procurement Plan)?
Answer: for the most part, the MISO capacity market has not sent adequate long-term investment signals for new clean generation. The capacity markets in both parts of the state (MISO and PJM) provide short term forward capacity price signals at best. That short term revenue stream is insufficient secure cashflow for a developer to finance a new solar+storage or wind project. The result is that despite Illinois having strong clean energy policy commitments under CEJA (100% carbon-free power generation by 2045), the state faces a capacity shortfall precisely when it needs new clean resources to be coming online.

The 220 ILCS 5/16-111.5 Subsection (b-10) mechanism fills the gap by providing long-term revenue certainty that the market can't provide — essentially functioning as a clean energy offtake contract backed by Illinois ratepayers. It complements the LTRRPP (which is about Renewable Energy Credits (REC) and Renewable Portfolio Standard compliance , not capacity) and the Electricity Procurement Plan (which is about near-term commodity supply, not new resource development). Neither of those instruments is designed to solve a capacity shortfall.

An additional benefit of the (b-10) mechanism is helping to shield consumers from price volatility in the PJM and MISO capacity markets.

Finally, we understand that the Illinois Commerce Commission is currently undergoing workshops to prepare for the Integrated Resource Plan (IRP) docket filing. The IRP will provide a clearer picture on the state's clean energy needs in the short-term and long-term future. While we do not have any strong opinions on when to launch the LTCEP, we would like to see the IPA compare the benefits of launching the LTCEP before, during, or after the IRP.

Questions 2: What gaps exist in the current IPA procurement mechanisms, or in the competitive market structures, that this procurement mechanism could address in part or in full?
Answer: we would like to highlight four gaps that the LTCEP can address.

A) RTO Market Structure. The RTOs' capacity markets short forward window and price volatility don't support project financing. A new 300 MW solar+storage project needs 15+ years of revenue visibility. Neither PJM nor MISO's market product provides that. This is structural, not cyclical — both RTOs have been aware of it and the long-running capacity reform proceedings haven't fixed it.
B) "Missing money" problem for clean resources. Energy-only revenues for solar and wind are suppressed during high-generation periods (the cannibalization problem). Without a capacity revenue stream or a state contract, clean resource economics increasingly don't pencil in the RTOs — especially for new entrants without existing portfolios to cross-subsidize.
C) Developer finance constraints in the current clean energy environment. Elevated interest rates, interconnection queue delays, and transmission cost uncertainty have made new

project development in Illinois particularly difficult. A long-term state contract fundamentally changes the project finance picture — it's the difference between a merchant risk profile and a contracted revenue profile.

D) Existing IPA mechanisms that don't address capacity. The LTRRPP is purely about RECs — it explicitly does not procure capacity. The Electricity Procurement Plan procures near-term supply, including capacity, from the existing market. Neither creates an incentive for *new* resource development oriented toward resource adequacy. This mechanism is the first IPA instrument explicitly designed to do that.

E) The RES currently have no obligation to procure clean energy on behalf of their customers. The statute, under the P.A. 104-0458, Section 16-111.5 Subsection (b-10), gives authority to the Illinois Commerce Commission (ICC or Commission):

> "To meet contract obligations, the Commission may order collections from all retail customers or from all load-serving entities, including alternative retail electric suppliers as defined in Section 16-102 of this Act, as a means of ensuring a fair and competitively neutral allocation of contract costs. In establishing collections, the Agency may propose and the Commission may approve adjustments for load-serving entities that have contracts entered into before the effective date of this amendatory Act of the 104th General Assembly for energy, capacity, or environmental attributes to ensure customers are not double-billed for the same service."

This is an important gap in the current system and would help transition us to a more holistic system in which everyone shares the benefits and costs of cost-effective clean energy solutions.

F) The LTCEP can address the lack of long-term contracting visibility and access for residential and small commercial customers. There is little visibility into whether Retail Electric Suppliers (RES/ARES) serving residential and small customer load sign long-term contracts with renewable energy developers. While some large Commercial and Industrial (C&I) customers have secured long-term contracts via RES (e.g., the Constellation Energy deal with the City of Chicago), it is unclear if these same opportunities for long-term contracts tied to specific clean energy generation sources or portfolios are available to smaller customers. This mechanism provides an opportunity to fill that gap.

Question 3: What resources (including specific technologies and characteristics such as fuels or emissions) or products (energy, capacity, renewable energy credits (RECs), etc.) should be targeted within this procurement mechanism and why?

Answer: given the resource adequacy framing, the answer should be organized around what the state actually needs to solve the shortfall:

A) Capacity-first framing. The cost of capacity ($/MW-year) of Accredited capacity should be one of the primary evaluation criteria for this procurements. Energy and RECs will be bundled, but capacity should drive the procurement design. The December 2025 Resource Adequacy Study identified gaps over a specific horizon and the upcoming Reliability Mitigation Plan and the CRGA-driven IRP will identify resource adequacy and

energy gaps that can be at least partially fulfilled through this procurement. The procurement should be sized to cost-effectively address that gap with new clean resources.

B) Eligible technologies. New solar, wind, and solar+storage (co-located) are the workhorses here — proven technologies, competitive costs, and deployable at scale within a 3–5 year development timeline. Standalone storage (4-hour) qualifies for RTO capacity accreditation under current rules and should be explicitly included. Longer-duration storage should be included to the extent it achieves accreditation.

C) On DER as a limited complement. Aggregated DER — particularly demand response and battery storage programs at scale — can contribute to accredited capacity in MISO (or will be able to via FERC Order 2222 pathways). The mechanism shouldn't foreclose that, but it shouldn't be designed around it either.

D) Contract for differences (CfD). The statute expressly contemplates this structure, and it's probably the right answer for capacity products. A CfD referenced to RTO capacity prices gives developers the revenue floor they need to finance projects, while protecting ratepayers if market prices rise — the net payment goes to zero when market prices exceed the strike price. It's also competitively neutral in the sense that it doesn't remove resources from the existing markets.

E) Geographically-diverse resources. While we do not have a firm position on clean energy resources that are located adjacent and around the state, we would be open to exploring how these clean resources can participate in the LTCEP.

Question 4: What contract lengths should be considered for the targeted resources or products and why?

Answer: we believe that 15 to 20 years is the target contract length. The LTRRPP has 15 year REC contract lengths that can be used as a helpful precedent for the IPA. Additionally, that's consistent with asset lives, tax credit monetization timelines (IRA PTCs/ITCs run 10 years from commercial operation), and project finance conventions. We also have some recommended refinements:

A) Staggered vintages. Don't procure everything at once. A rolling schedule — say, annual or biennial solicitations tied to updated IRP/resource adequacy findings — avoids vintage risk, allows the IPA to incorporate market learning, and prevents oversupply if load forecasts shift.

B) The "substantial majority" constraint. The statute's requirement that (b-10) contracts not constitute the substantial majority of any LSE's portfolio is a sizing discipline. The IPA's procurement targets need to be calibrated against LSE portfolio sizes — particularly ComEd's — to stay within that limit. Worth flagging that the IPA should publish its methodology for this calculation transparently.

C) IRA interaction. Contract terms and pricing structures should account for ITC/PTC step-downs and transferability provisions under the IRA. A well-designed procurement can effectively pass IRA benefits through to ratepayers via lower contract strike prices — but only if the contract structure is designed to accommodate it.