

## Long Term Clean Energy Procurement Framework Comments

**Question 1:** What guidelines should govern the design and use of this new procurement mechanism to balance the priorities and needs identified by the state agencies with the ongoing functioning of the regional markets (including PJM and MISO capacity markets) and Illinois's competitive retail market structure?

*The new procurement mechanism should not involve any significant, long-term financial commitments until the IRP is finalized, so that any obligations and bill impacts are aligned with the overall resource planning framework. Major commitments made beforehand risk locking in products or structures that may not fit with the IRP once it is complete, and thus any such commitments should dovetail with the finalization of the IRP.*

*Given the uncertainty and the evolving roles of the IRP and the Long-Term Clean Energy Procurement, any plans should be adopted with a “crawl before you walk, walk before you run” approach. This means starting with limited pilot procurements—tightly capped in both quantity and budget—to test pricing, bill impacts, participation levels and to determine whether the product is a fiscally viable solution. The lessons from these pilots should guide whether and how to scale the mechanism, rather than committing to a large program at the outset.*

**Question 2:** How should the need or procurement target of eligible resources or products be determined (i.e. stemming from need identified in IRP process or mitigation plan)?

*The procurement target for eligible resources or products should be directly derived from the needs identified in the IRP process and any subsequent mitigation plan. This will ensure that the procurement targets are grounded in a system-wide assessment of reliability, capacity and policy objectives.*

**Question 3:** How frequently should these procurements be conducted and what would trigger and justify a procurement event?

*The appropriate frequency and triggers for procurement events cannot be determined and are premature at this time. Until the IRP and associated mitigation plan are completed, it is not possible to reasonably forecast the size, volume, or timing of procurements needed under this new mechanism.*

*Accordingly, any decisions about procurement cadence or triggering conditions should be deferred until the IRP and mitigation plan are finalized and can provide a clear basis for setting these parameters.*

**Question 4:** How should the resources or products be evaluated in isolation and against one another to meet the need or procurement target described above? Respondents may consider differences in resource type, cost, contract length, or commercial operation date.

*Resources and products under this mechanism should be evaluated with a primary focus on ensuring competitive depth, cost-effectiveness, and alignment with PJM and MISO capacity requirements. The IPA should avoid “one-off” or highly specialized technologies where a single developer can effectively name their price; single, stand-alone technologies with no competitive alternatives should not be eligible. Instead, the procurement should target technologies that can attract multiple bidders, create a competitive depth of bids, and support the development of real baseload generation resources in Illinois that qualify as capacity resources under PJM or MISO rules, with customer affordability and cost-effectiveness as key selection criteria.*

*To build this competitive depth, the IPA/E3 could first issue a request for feedback to developers and stakeholders to identify which technologies are reasonably available and suitable for the pilot procurement. Based on that input, the IPA could select two to three technologies where there is clear interest and alignment, thereby increasing the likelihood of robust competition.*

*Since ZRCs are a homogenous product, it may be advisable to consider long-term ZRC procurements in this pilot procurement only if there is difficulty in identifying resources that could have a sufficient depth and scope of competition in their bids. Ultimately, customer affordability and cost effectiveness should be of the utmost concern in electing any bids.*

**Question 5:** Should there be any cost caps and other guardrails on the procurements to protect Illinois customers from increased rates? If so, please describe.

*Yes. The procurement should include clear cost caps and rate-impact protections to ensure that customer costs remain fair, just, and reasonable. At a minimum, a rate impact or affordability test should be applied both prior to initiating the procurement and periodically over the life of the contracts to confirm that overall customer impacts remain within acceptable bounds.*

*Because the contemplated contracts are likely to be long term—potentially 20 years or more—customer affordability must be treated as a central design criterion, not an afterthought. Absent meaningful cost caps and ongoing safeguards, a long-term procurement of this nature could create a generational burden for Illinois ratepayers if market conditions change or as a result of poor long-term planning.*