ComEd Response to IPA's Clean Energy Procurement Question Set 2

May 14, 2026

ComEd appreciates the continuing opportunity to participate in the IPA's stakeholder process to develop a long-term clean energy procurement framework as directed under the P.A. 104-0458, Section 16-111.5.

In the stakeholder responses to the IPA's first set of questions on the long-term clean energy procurement (LTCEP) process, there emerged a general consensus that the LTCEP should address future resource adequacy (RA) shortfalls by providing long-term signals that the short-term PJM and MISO capacity markets and existing Illinois Power Agency (IPA) programs do not, through a process that reduces customer exposure to energy and capacity price volatility and aligns with the goals of CEJA and CRGA, the IRP, and the RA Mitigation Plan. ComEd continues to see the LTCEP as a bridge toward an integrated planning and procurement model that focuses on new, clean, capacity resources, and that comprehensively values the energy, capacity, and renewable attributes of those resources.

In response to the IPA's Second Request for Comments issued on April 29, 2026, ComEd builds upon its previous comments and those of the other stakeholders to address the IPA's follow-up questions on how a clean energy product is specifically defined, the cadence of prospective procurement events, how to establish guidelines, how products are evaluated, and what limitations or restrictions should be placed on prospective products. Across these five areas, ComEd supports a consistent LTCEP that is needs-driven, market-compatible, reliability-focused, and disciplined in execution. By grounding procurement in planning, preserving market participation, ensuring fair cost allocation, and maintaining robust oversight, ComEd believes the IPA can create a mechanism that better integrates Illinois' clean energy objectives with regional markets and competitive retail structures. ComEd looks forward to the additional stakeholder collaboration throughout the process.

Request for Comments - Question Set 2

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 the PJM and MISO capacity markets) and Illinois's competitive retail market structure?**

   The design of the LTCEP process should be governed by a set of principles that ensure it initially functions as a targeted, market-compatible procurement, anchored in the outcomes of the IRP process and RA Mitigation Plan by ensuring that procurement decisions are driven by demonstrable system needs.

   First, the LTCEP should prioritize market-compatible contract structures that allow resources to continue competing in PJM and MISO markets in order to preserve the price formation, dispatch efficiency, and investment signaling of PJM and MISO

capacity markets, while addressing their limitations in providing long-term revenue certainty while ensuring customers benefit from participation in the markets. Further, the LTCEP should strive to encourage broad participation, recognizing that an "all of the above" solution set will better support managing customer risk.

Second, the LTCEP should result in the procurement of physically deliverable, reliability-valued resources. The mechanism should favor accredited capacity during expected times of system need, temporal alignment with peak demand, and firm deliverability to Illinois load, ensuring that procurement outcomes translate directly into system reliability. This represents a shift from segregating policy-driven procurement in Illinois' Renewable Portfolio Standard (RPS) toward a more integrated approach that aligns clean energy goals with system reliability needs.

Third, the LTCEP should be applicable to all load-serving entities (LSEs), including both utilities and Alternative Retail Electric Suppliers (ARES). Cost allocation and compliance frameworks should be designed to avoid duplicative procurement and ensure that both utilities and competitive suppliers are neither disadvantaged nor required to assume long-term risks inconsistent with their regulatory obligations.

Together, these guidelines position the LTCEP as a bridge between policy and markets: a mechanism that corrects structural gaps, particularly the absence of long-term clean capacity signals, while preserving the functioning of PJM, MISO, and Illinois's retail choice framework.

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 determination of procurement need should be grounded in a rigorous, forward-looking planning process, with the IRP and RA Mitigation Plan serving as the primary analytical anchors while also accounting for the nascent PJM Reliability Backstop Procurement (RBP) efforts. These processes provide the best available comprehensive assessment of future load growth, resource retirements, electrification trends, and system reliability risks, and therefore should define the baseline level of need for the LTCEP procurement.

Importantly, this need should be expressed not simply in terms of energy or nameplate capacity, but in terms of reliable, deliverable capacity requirements, reflecting the actual contribution of resources to system reliability. This ensures that procurement targets are aligned with the underlying reliability objectives. At the same time, the IPA should adopt a gap-based approach, evaluating how much of the identified need is already expected to be met through existing generation, prior IPA procurements, and demonstrable commitments from market participants. The LTCEP should then be calibrated to procure only the residual need that remains after accounting for these contributions. This approach avoids over-procurement

and ensures that LTCEP complements, rather than overrides, both market activity and existing programs.

Finally, the determination of need should incorporate uncertainty and scenario analysis, recognizing that forecasts may change. Procurement targets should therefore be adjustable and revisited periodically, rather than fixed over long horizons.

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

   The LTCEP procurements should be conducted on a regular, recurring basis, rather than through one-time or infrequent large solicitations. A cadence of annual or biennial procurements is most appropriate, as it provides sufficient flexibility to respond to evolving system conditions while maintaining a steady pipeline of development opportunities.

   The primary trigger for procurement should be the identification of a material and persistent resource adequacy gap in the IRP or RA Mitigation Plan. However, additional considerations may include:

   - Evidence of insufficient market response to emerging capacity needs
   - Significant changes in load forecasts or resource retirements
   - Persistent or projected capacity market price volatility that threatens cost stability
   - Shortfalls in clean energy procurement goals that can be met in a manner that also supports resource adequacy

   In practice, procurement events should be justified through a transparent demonstration that a reliability or policy-relevant gap exists, and that existing market mechanisms are unlikely to address in a timely or cost-effective manner. This approach ensures that LTCEP remains responsive but disciplined, avoiding both under-procurement (which could jeopardize reliability) and over-procurement (which could distort market signals and unnecessarily raise customer costs).

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.**

   The evaluation of resources under LTCEP should be guided by a holistic, reliability-centric framework that considers both individual resource characteristics, assurance of deliverability, and portfolio-level outcomes. At the individual level, resources should be assessed based on:

   - Capacity contribution (e.g., ELCC)
   - Total cost, including contract price and expected market offsets

- Deliverability to Illinois load, accounting for transmission constraints
- Ability to execute on a commercial operation date (COD) relative to identified needs
- Contract length, and associated deliverability and execution risk profile

However, evaluating resources in isolation is insufficient. The IPA should also assess how resources perform in combination, considering attributes such as temporal (day/night, seasonal variation) and geographic diversity. A portfolio-based approach is particularly important for variable resources such as wind and solar, whose value depends on how they interact with other resources over time.

In terms of product structure, evaluation should favor integrated or bundled offerings, combining energy, capacity, and environmental attributes, or equivalent structures that align incentives across these dimensions. This reduces fragmentation and ensures that procurement decisions reflect true system value rather than isolated metrics. The objective should be to select resources that minimize the cost per unit of reliable service delivered, rather than simply the lowest upfront price.

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

Given the long-term and potentially large-scale nature of LTCEP procurements, it is appropriate to establish guardrails to protect Illinois customers from undue rate impacts, while still allowing sufficient flexibility to secure needed resources. Rather than relying on rigid cost caps which could result in failed procurements or insufficient participation, the IPA should adopt a multi-layered set of protections, including:

- Portfolio-level cost targets or benchmarks, informed by market conditions and comparable procurements
- Competitive procurement processes that drive cost discipline through bidding
- Value-based evaluation, ensuring that higher-cost resources are justified by superior reliability or system benefits
- Consideration of the social cost of carbon as a means of calibrating options with varying degrees of clean attributes (or lack thereof)
- Staggered procurement volumes, reducing exposure to any single price point or market condition
- Periodic program reviews, allowing adjustments to procurement strategy if costs exceed expectations
- An “all of the above” solicitation approach, which allows for as broad a variety of resources and structures to offer in as possible

Additionally, contract structures such as contracts for differences (CfDs) or indexed pricing mechanisms can provide built-in customer protection by allowing customers to benefit when market prices are high, while still providing developers with revenue certainty.

Finally, transparency is essential. The IPA should clearly communicate how procurement decisions affect rates and how cost controls are applied, ensuring that stakeholders and regulators can assess whether LTCEP is delivering value commensurate with its cost.