

Comments of Advanced Energy United and Clean Grid Alliance
Concerning the Illinois Power Agency's Draft 2027 Electricity Procurement Plan
09/16/2026

Introduction:

Advanced Energy United (“United”) and Clean Grid Alliance (“CGA”) respectfully submit these comments related to the Illinois Power Agency’s (“IPA”) Draft 2027 Electricity Procurement Plan (“EPP”). United appreciates the opportunity to provide comments on Illinois’ electric supply needs and procurement mechanisms, especially the newly created Long-Term Clean Energy Procurement (“LTCEP”) Mechanism.

United is a national trade association that educates, engages, and advocates for policies that allow its member companies to compete to power the economy with 100% clean energy. United is the only national trade association that represents a broad spectrum of clean energy providers and facilitators. Members include front-of-meter and behind-the-meter renewable energy and battery storage manufacturers and developers, electric vehicle (“EV”) and EV charging equipment suppliers, providers of energy efficiency, demand response, and virtual power plants, as well as larger users of energy wanting to ensure that clean energy is available on the grid to facilitate corporate sustainability goals. United works with decision-makers at the federal and state levels of government as well as regulators of energy markets to achieve this goal. The businesses United represents, which include several businesses operating in Illinois, are lowering consumer costs, creating thousands of new jobs every year, and providing the full range of clean, efficient, and reliable energy and transportation solutions.

CGA is a regional nonprofit membership-based advocacy organization with a mission of advancing clean energy in the Midwest through participation in the Midcontinent Independent System Operator (“MISO”) stakeholder process and engagement before public utility regulatory commissions and state legislatures across MISO’s North and Central footprint. Our members include clean energy developers, clean energy and

environmental nonprofit organizations, public interest advocates, farm groups, data centers, and businesses providing goods and services to the clean energy industry.

In response to the ‘Draft 2027 Electricity Procurement Plan’ and the ‘Cover Letter and Hearing Notice’ provided by the IPA on August 17, 2026, United and CGA offer the following comments.

Overview:

The Draft 2027 EPP is the 19th plan produced by the IPA that addresses the provision of electricity for residential and small fixed price customers that take supply service with ComEd, Ameren Illinois, or MidAmerican Energy Company. The EPP generally outlines how the IPA will procure electricity for utility customers via block energy and capacity product offerings for 2027. In procuring electricity for the utilities, the IPA utilizes a hedging methodology that procures on and off-peak blocks of forward energy in a three-year ladder approach. This procurement methodology involves the procurement of hedges in 2027 to meet a portion of anticipated eligible retail customer energy supply requirements for a three-year period and includes two block energy procurement events, one in the spring and one in the fall. Generally, the EPP is consistent with previous plans, with one change in the instant EPP being that the IPA will ramp up procurement volumes to return to hedging 100% of ComEd’s forecasted eligible retail customer load starting in 2027-2028 (as opposed to 50% during summer months and 30% during non-summer months). Additionally, the EPP includes a new section of the plan dedicated to the Long-Term Clean Energy Procurement Mechanism, a new mechanism created under the Clean and Reliable Grid Affordability (“CRGA”) Act that provides the IPA with additional means to procure clean energy supply and capacity to address broader resource adequacy challenges which, unfortunately, the IPA has declined to implement at this time. United and CGA both participated in and submitted comments in response to the IPA’s public workshops focused on this LTCEP mechanism that were held in May and June of 2026, and we recommend developing the LTCEP within this EPP as required under CRGA so that it is available to address energy or capacity needs identified in the final Resource Adequacy mitigation plan or integrated resource plan.



Long-Term Clean Energy Procurement Mechanism:

The LTCEP Mechanism is discussed within Chapter 9 of the Draft 2027 EPP, and the IPA specifically states that, “Rather than procuring standard wholesale products solely to satisfy the default service obligations of the electric utilities, the LTCEP mechanism is intended to facilitate the development of additive new clean energy resources that address broader statewide electric system needs identified through state-led planning processes, including Resource Adequacy Study process as defined by Section 9.15(o) of the Environmental Protection Act and the Integrated Resource Plan (IRP) which was also established by CRGA”.¹ Furthermore, it is explicitly stated by the IPA that, “the statutory objectives, procurement products, cost recovery mechanisms, and intended beneficiaries of LTCEP procurements are statewide and, thus, differ from those associated with traditional default supply procurements addressed elsewhere in this Plan”.² The IPA’s described intent of the LTCEP is generally in-line with United’s understanding of this mechanism as discussed via United’s previous comments in response to the IPA’s 2026 Public Workshops that were focused on the LTCEP Mechanism.³

Within Chapter 9, the IPA provides a set of seven guiding principles (as well as thorough explanations of the guiding principles) for the LTCEP mechanism to follow in the future:

1. Alignment with Statutory and Illinois Clean Energy Objectives
2. Planning-Driven and Need Responsive Procurement
3. Competitive and Transparent Procurement Process
4. Coordination with Existing Procurement Activities
5. Competitively Neutral Cost Allocation
6. Affordability and Cost-Effectiveness
7. Flexibility and Adaptive Implementation

United and CGA agree with the IPA’s approach to establish guiding principles to form a stronger structure around the use of the LTCEP mechanism. These guiding principles

¹ See Illinois Power Agency’s Draft 2027 Electricity Procurement Plan at P. 109

² *Ibid.*

³ See Advanced Energy United’s Responses to Stakeholder Questions on Long-Term Clean Energy Procurement from April 20, 2026 and May 15, 2026. Responses available here:

<https://ipa.illinois.gov/contact-us/stakeholder-engagement/responses-to-stakeholder-questions-on-long-term-clean-energy-pro.html>



will help inform how the LTCEP is developed and utilized moving forward and we strongly support acknowledging the need for the LTCEP to be aligned with the clean energy objectives of the State.

Despite our general agreement and understanding with how the IPA has structured the use of the LTCEP, the IPA's interpretation of differences between the LTCEP procurement and traditional EPP procurement as well as how to move forward in-light of these differences leads to concerns for United, CGA, and our respective members. A full outline of the differences between the LTCEP and traditional EPP procurements is included in the table below. These differences ultimately culminate in the IPA's decision to not propose the use of the LTCEP mechanism as part of the 2027 EPP, a decision that United and CGA have concerns about and which we respond to in the following sections.

Table 9-1: Summary of Key Differences between Traditional EPP and LTCEP Procurements

Procurement Characteristic	Traditional EPP Procurements	LTCEP
Primary Objective	Secure supply for default service customers through wholesale electricity supply contracts	Support statewide objectives to address identified resource adequacy needs
Customers Served	Eligible retail customers (default service residential and small commercial customers)	All retail customers (includes those customers serviced by utilities and ARES)
Resource Focus	Load-serving focus through energy & capacity products accessing existing market supply	Resource adequacy & clean energy focus to support new resource development
Need Determination	Driven by utility-derived default service customer load forecasts and shopping statistics, hedging strategies, and forward-looking contracting position	Driven by identified system needs – Resource Adequacy Study and IRP processes
Contract term	Historically, short- and medium-term contracts to manage market price risk; current hedging strategy employs a three-year forward outlook	Long-term contracts to support new resource development; contracts are likely to begin years in the future and cover periods of 10 or more years.
Products Procured	Products to satisfy default service obligations must qualify as "standard wholesale products" which may also include financial capacity hedges	Products tailored to address identified planning needs which may include "energy, capacity, environmental attributes, resource adequacy attributes, or some combination thereof"
Pricing & Cost Recovery	Costs recovered by Illinois electric utilities across default service customers only	Costs recovered through a "competitively neutral" mechanism intended to serve all retail customers (exact mechanism and methodology to be determined in the future, subject to the product(s) proposed through the LTCEP mechanism)

The IPA states that, "it is in the best interests of Illinois customers to consider future use of the LTCEP mechanism in the context of these planning efforts rather than



propose a procurement prior to completion of the Mitigation Plan and IRP. Accordingly, the IPA is not proposing use of the LTCEP mechanism as part of the 2027 EPP”.⁴ Furthermore, the Draft 2027 EPP emphasizes that, “Should the IPA subsequently determine that an LTCEP procurement warrants consideration, any procurement proposal would be developed through a future EPP and submitted for stakeholder review and ICC approval”.⁵ United and CGA understand the IPA’s position that the LTCEP should not be used until after the completion of the Resource Adequacy (“RA”) Mitigation Plan and the Integrated Resource Plan (“IRP”), and an explicit need is determined. However, we disagree with the IPA’s position and the decision to not authorize the use of the LTCEP mechanism as part of the 2027 EPP. Sufficient information exists to justify using the LTCEP in an expeditious manner within the 2027 EPP with specific conditions and considerations as outlined in further detail below.

Legal Justification for Use of the LTCEP in the 2027 EPP:

CRGA, (220 ILCS 5/16-111.5) (b-10), does not support this delaying the use of the LTCEP until after a Commission order is issued on the RA Mitigation Plan or the IRP. To the contrary, the text of CRGA requires that:

*“Beginning with the procurement plan for the delivery year commencing on June 1, 2027, in recognition of the potential need to facilitate additional supply to address any resource adequacy challenges through a stable and competitively neutral cost allocation mechanism, upon an identification of need by the Commission in the resource adequacy report prepared pursuant to subsection (o) of Section 9.15 of the Environmental Protection Act, and as such need is updated by the integrated resource planning process outlined in subsection (b), the procurement plan **shall also include the procurement of energy, capacity, environmental attributes, resource adequacy attributes, or some combination thereof intended to serve all retail customers.**” (emphasis added)*

United and CGA believe that “an identification of need by the Commission in the resource adequacy report” has already been achieved through the 2025 Resource Adequacy Study, thus triggering the requirement to use the LTCEP within the 2027 EPP. The Resource Adequacy Study that was conducted by the IPA and published on

⁴ *Id.* At P. 118

⁵ *Id.* At P. 119



December 15, 2025 identified significant near-term resource shortfalls in both MISO and PJM.⁶ As explicitly noted in the IPA's 2025 Resource Adequacy Study, "PJM is expected to experience a capacity shortfall beginning in 2029, with the deficit projected to widen in subsequent years if left unabated. MISO remains resource adequate through 2030, but a shortfall is projected to emerge in 2031 and grow thereafter".⁷ Furthermore, in a presentation provided in the IPA's Resource Adequacy Study Workshop series on October 8, 2025, the IPA stated that the final Resource Adequacy Study results indicate PJM's ComEd zone will likely need ~3 Gigawatts (GW) of new resource adequacy resources by 2030 and MISO's LZ4 will likely need ~2.5 Gigawatts of new resource adequacy resources by 2030.⁸ The statutory language outlining the Resource Adequacy Study is contained in 415 ILCS 5/8 9.15 (o) of the Illinois Environmental Protection Act and States:

"If the Environmental Protection Agency, Illinois Power Agency, and Illinois Commerce Commission jointly conclude in the report that the data from the regional grid operators, the pace of renewable energy development, the pace of development of energy storage and demand response utilization, transmission capacity, and the CO₂e and co-pollutant emissions reductions required by subsection (i) or (k-5) reasonably demonstrate that a resource adequacy shortfall will occur, including whether there will be sufficient in-state capacity to meet the zonal requirements of MISO Zone 4 or the PJM ComEd Zone, per the requirements of the regional transmission organizations, or that the regional transmission operators determine that a reliability violation will occur during the time frame the study is evaluating, then the Illinois Power Agency, in conjunction with the Environmental Protection Agency shall develop a plan to reduce or delay CO₂e and co-pollutant emissions reductions requirements only to the extent and for the duration necessary to meet the resource adequacy and reliability needs of the State, including allowing any plants whose emission reduction deadline has been identified in the plan as creating a reliability concern to continue operating,

⁶ See The Illinois Power Agency's '2025 Resource Adequacy Study' Submitted to the Illinois General Assembly on December 15, 2026. Full Report available here: <https://ipa.illinois.gov/electricity-procurement/resource-adequacy.html>

⁷ *Id.* At P. 8

⁸ See The Illinois Power Agency's Resource Adequacy Study Workshop 2 on October 8, 2025. Full Workshop information available here: <https://ipa.illinois.gov/electricity-procurement/ra-planning/ra-irp-workshop-information.html>



including operating with reduced emissions or as emergency backup where appropriate.

The IPA is currently developing the Resource Adequacy Mitigation Plan as a result of the Resource Adequacy Study, indicating that the State Agencies, inclusive of the Illinois Commerce Commission, have successfully identified that a resource adequacy shortfall will occur.⁹ Despite not having a final Commission decision on the RA Study Mitigation Plan and the IRP, the results of the RA study alone provide more than enough justification for the IPA to move quickly on using the LTCEP and proposing for the use of the LTCEP in the 2027 EPP.

Additional Considerations Justifying the Use of the LTCEP in the 2027 EPP:

As identified in the Draft 2027 EPP, the timeline and the IPA's proposed use of the LTCEP is as follows: "the initial Integrated Resource Plan is due to be filed with the Commission by November 15, 2026 with a Final Order approving that Plan due out no later than 360 days after that filing. Should the IPA determine that an LTCEP procurement is appropriate, future EPPs may include procurement-specific recommendations informed by the IRP, the Mitigation Plan, stakeholder engagement, and the statutory framework established by CRGA".¹⁰ Given this timeline, the use of the LTCEP will not be considered by the IPA until the 2028 EPP at the earliest. Even so, if a Commission order on the IRP does not come out until November 2027, it is possible that the 2028 EPP still won't consider the use of the LTCEP, due to the Commission order in the IRP (and thus determining the need for the LTCEP) coming out after the 2028 annual EPP is considered. The IPA proposal to consider the LTCEP in future EPP's creates an artificial constraint on the actual use of the LTCEP. This is especially concerning when the intended use of the LTCEP is to respond to the extremely time-sensitive matter of resource adequacy needs. If the LTCEP takes 2-3 years to be developed and implemented, Illinois runs the risk of exacerbating existing resource adequacy issues, the very issue that the LTCEP is designed to resolve.

⁹ See The Illinois Power Agency's information pertaining to the Resource Adequacy Study Mitigation Plan Workshop Process which began on January 15, 2026. Information available on the Agency's workshop process is available here: <https://ipa.illinois.gov/electricity-procurement/ra-planning/ra-irp-workshop-information.html>

¹⁰ *Id.* At P. 118



Furthermore, the resources that the LTCEP will likely target are resources where financeability may be dependent on eligibility for the Federal Solar Investment Tax Credit (“ITC”) that, with the passage of House Resolution 1 of the 119th U.S. Congress, requires projects to be placed in service by December 31, 2027 or have been adequately safe-harbored by July 4, 2026. This makes the use of the LTCEP mechanism even more urgent, given that resources are seeking to be placed in-service in the near future to meet ITC eligibility requirements, as projects that have been safe-harbored are required to achieve commercial operation by mid-2030. If the LTCEP is not utilized until 2028 or later, Illinois (and Illinois ratepayers) will lose out on projects that would qualify for the ITC.

In-light of the federal uncertainty around the ITC, a procurement structure should also provide sufficient certainty that developers will receive appropriate relief if unforeseen changes outside of their control materially impact project economics or development timelines. This emphasizes the need for the LTCEP to be used as soon as possible and to account for federal matters that impact the ability and timelines to construct energy projects in Illinois. Expedited use of the LTCEP would allow the IPA to capitalize on the dwindling pool of qualifying, safe-harbored projects whose development timelines closely align with the resource adequacy needs identified in the 2025 Resource Adequacy Study, particularly those emerging around 2030.

On the use of the LTCEP within the context of the EPP, United and CGA believe that the LTCEP should be given unique treatment as a procurement mechanism that is different from other EPP procurement mechanisms specifically because of the LTCEP’s proposed use-case within statute. The IPA acknowledges that the LTCEP is an entirely different procurement mechanism with completely different parameters than the procurement mechanisms traditionally used in the EPP (as noted in the table above). The LTCEP should therefore be utilized and structured differently than typical EPP procurements and can leverage the experience and structure of other similar IPA procurements, such as the IPA’s Indexed Renewable Energy Credit (REC) Procurements. For example, the Indexed REC procurement structure allows the IPA to conduct forward procurements of RECs from new utility-scale wind projects, new utility-scale solar projects, and new brownfield solar projects, and employs a dynamic redistribution of RECs that allows the IPA to maximize REC procurement within each competitive procurement event by allocating otherwise unfulfilled quantities to eligible bids that clear the applicable benchmark – a process that United generally supports.



Similarly, the recent indexed-storage credit construct provides another example for the IPA to draw from regarding the forward procurement of capacity resources.

Recommendation on the Use of the LTCEP in the 2027 EPP:

In consideration of the information provided above, **United and CGA recommend that the IPA propose to use the LTCEP within the 2027 EPP and develop a framework for the procurement mechanism so that the LTCEP can be utilized swiftly in 2027 and will be ready to use following the Commission's decision on the IRP.** To make the timing achievable, United recommends that the IPA quickly resume the dedicated LTCEP mechanism stakeholder process to resolve the outstanding implementation questions that remain for the LTCEP. This stakeholder process should address, at a minimum, the structure and sequencing of the procurement, product and eligibility requirements, and the development of the applicable contract forms. These workstreams should proceed in parallel with the pending IRP and resource adequacy processes so that the LTCEP is not held up by the outstanding implementation work after a need determination is finalized. Specifically, the IPA should set a goal to have the LTCEP framework and contractual documents substantially complete in time to conduct the first procurement during the first half of 2027, which may represent the last practical opportunity to contract with the remaining safe-harbored projects capable of reaching commercial operation by mid-2030.

United and CGA believe that this recommendation will allow the LTCEP to respond to known, imminent resource adequacy needs. In practice, United and CGA believe that this recommendation could result in the following process: the IPA develops a complete framework for LTCEP mechanism following the 2027 EPP, either prior to or following a decision by the Commission on the IRP the Commission directs for the use of the LTCEP by the IPA, the IPA can swiftly issue a procurement event using this LTCEP mechanism in 2027. Overall, Illinois should have the policy framework that allows the State to use the tools provided in order to respond to resource adequacy problems now and in the future, and our recommendation is aligned with that goal.



Conclusion:

United and CGA appreciate the opportunity to provide comments in response to the IPA's Draft 2027 EPP. United and CGA generally supports the Draft 2027 EPP as well as the framing and outline of the LTCEP discussed in Chapter 9 of the EPP. However, we have concerns regarding the IPA's decision to not propose the use of the LTCEP in the 2027 EPP and therefore we recommend that the IPA develop a framework for the LTCEP so that the LTCEP can be utilized swiftly in 2027. This recommendation is intended to further expedite Illinois' ability to meet its resource adequacy needs now and in the future without compromising the clean energy objectives of the state.

