

June 16, 2023

Illinois Power Agency  
105 West Madison Street  
Chicago, IL 60602

## **Advanced Energy United Response to Feedback Request for the 2024 IPA Long Term Plan**

### **Introduction**

Advanced Energy United (United) appreciates this opportunity and respectfully submits these comments in response to the Illinois Power Agency's (IPA's) request for stakeholder feedback for the 2024 IPA Long-Term Plan. Advanced Energy United has engaged in development of the IPA's current Long-Term Renewable Resource Procurement Plan (LTRRPP) and has responded to previous requests for feedback on programs such as the Self-Direct RPS Compliance Program.

Advanced Energy United is a national clean energy trade association representing businesses across the various sectors of the advanced energy industry, including large-scale renewable developers, distributed generation developers, and large corporations with decarbonization targets. The Advanced Energy Buyers Group (AEBG), facilitated by Advanced Energy United, represents large corporate buyers of advanced energy, including those operating in Illinois with interest in participating in the self-direct program. These companies are among the 76% of the Fortune 100 companies and 60% of the Fortune 500 companies that have established renewable and/or decarbonization targets.<sup>1</sup> AEBG members share a common interest in expanding the use of advanced energy, including renewable energy (both on-site and large-scale), demand-side resources, and energy storage.

Advanced Energy United's comments focus on the Self-Direct Program Size (Topic 4 of Chapter 6: Self-Direct Program).

### **Chapter 6: Self-Direct Program**

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<sup>1</sup> WWF Power Forward 2.0: <https://www.worldwildlife.org/stories/fortune-500-companies-are-acting-on-the-climate-crisis-but-is-it-enough#:~:text=Sixty%20percent%20of%20Fortune%20500,to%20a%20new%20WWF%20report>

#### **Topic 4: Self-Direct Program Size and Selection**

The Self-Direct Program is an important tool to enable voluntary buyers of renewable energy to accelerate the state's progress toward a decarbonized electricity system by making renewable energy commitments that go faster and farther than the state's Renewable Portfolio Standard (RPS). A robust Self-Direct Program can also reduce cost of compliance of the state RPS for ratepayers as a whole by eliminating double procurement of RECs for voluntary buyers thereby lowering the cost of RECs and contributing to lower electricity costs.

Given that voluntary buyers of renewable energy are supporting renewable development in the state and their contracts result in renewables providing power to the grid, it's critical that the Agency establish a program size in the 2024 Long-Term Plan which provides potential participants with certainty that their renewable contracts will be approved for participation in the program if they meet the applicable program requirements.

In response to the IPA Draft 2022 LTRRPP and Self-Direct Program Size Report, Advanced Energy United and the AEBG recommended a conservative and reasonable program size of 4 GW, citing studies that indicate a growth potential upwards of 3 GW of project capacity in the state in addition to the 1.65 GW already procured by large customers as of 2020. We also noted that this does not account for projects in adjacent states that would be eligible for participation.<sup>2</sup> As United stated in our previous comments, a program with excess capacity will not harm achievement of the state's RPS goals—utilities are not yet close to meeting 40% of large customers' load with renewable energy, so a larger program size will not diminish the need for utility-scale RPS procurement.

The current program size of 3 million RECs is likely deterring participation in the program, particularly from customers with larger renewable energy projects in the state. A larger program size will help spur more participation in the program and create a more efficient REC market.

The IPA should evaluate results from 2023 procurement to encourage additional participation in subsequent years. The program should grow year over year based on program interest to allow and encourage current participants to expand in the state, supporting economic development and renewable energy development. The IPA

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<sup>2</sup> AEE/AEBG 2022 LTRPP Comments: <https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/2022-ltp-comments/aeendaebg.pdf>

should also consider other potential barriers limiting participation, for example the size of the bill credit, which may not sufficiently incent prospective participants.

**Conclusion**

We appreciate the IPA's efforts analyze the voluntary REC market and establish a self-direct program that balances various interests to ultimately support the state's clean energy goals. We ask that the IPA consider these comments and increase the self-direct program size in the 2024 Long-Term Plan.

Regards,

**Samarth Medakkar, Policy Principal**

Advanced Energy United