

ICC
Request for Information
Potential “Other Renewables” Procurement
July 3, 2019

Questions

For the purpose of the following questions, “qualifying project” refers to a renewable energy generating facility that is not powered by wind or solar photovoltaic, is located in Illinois or if in an adjacent state meets the public interest criteria described in Question 5 below, does not have its costs recovered through rates regulated by Illinois or another state,³ and would otherwise be eligible to provide RECs for the Illinois Renewable Portfolio Standard. “Procurement” refers to a competitive acquisition process undertaken by the Agency on behalf of electric utilities specifically for RECs from new renewable energy generation.

1. What qualifying projects utilizing eligible renewable generating technologies other than wind or solar have been developed and energized since June 1, 2017, or are in various stages of consideration or development in Illinois or in adjacent states? Please describe the generating technology, size (MW and annual MWh), location, development status, environmental benefits or impacts, and (if known) energy off-taker or planned energy off- take arrangement.

Response:

Technology	MW	Annual MWH	Location	Status	Use
Waste Steam	4.5	TBD	Gowrie, IA	Construction	Cogen
Waste Steam	4.5	TBD	Corning, IA	Construction	Cogen
Hydro	55.0	TBD	Pella/Red Rock, IA	Construction	

2. Besides potential revenues from the sales of RECs through a long-term contract, what other potential incentives, tax credits, grants, etc. might also be available to such qualifying projects?

Response: No comment

3. What is a typical development timeline for a renewable generating facility that is not a wind or solar photovoltaic generating facility, from conception to energization?

Response: No comment

4. What interconnection issues (with an RTO or a distribution utility) might a qualifying project face that differ from the interconnection issues faced by a wind or solar photovoltaic generating facility? What other development risks may be unique to these qualifying projects?

Response: Since not a UL 1741 certified solar equipment, more review of equipment may be needed.

5. For qualifying projects located in a state that is adjacent to Illinois, the Agency developed a scoring methodology that applies a public interest criteria in the evaluation of such projects that includes a criterion that accounts for SO₂ and NO_x emissions as well as a criterion that accounts for CO₂ emissions.⁴ These criteria limit the RPS eligibility of projects located in states adjacent to Illinois. Would this restriction limit the type or number of projects that could participate in a REC procurement? Note that the public interest criteria do not apply to projects located in Illinois.

Response: No comment

6. Section 1-5(H) of the Illinois Power Agency Act includes a goal to “diversify Illinois electricity supply, improve reliability, avoid and reduce pollution, reduce peak demand, and enhance public health and well-being of Illinois residents, including low-income residents.” How would procuring RECs from qualifying projects that are not wind or solar photovoltaic help achieve that goal?

Response: No comment

7. Are there recent state or utility-administered procurements (or other incentive programs) that may provide a model of what the Agency should consider? Any that specifically should be avoided?

Response: Any model should appropriately balance the cost to customers with benefits received by customers.

8. Should the IPA conduct a procurement for RECs from qualifying projects substantially along the lines of the Requests for Proposals issued to procure RECs for utility-scale wind and solar projects (see www.ipa-energyrfp.com), which feature 15-year pay as bid fixed price REC contracts? Or should the Agency consider an alternative competitive procurement approach—and if so what is the suggested structure/process? Please note that compliance with the Illinois RPS is achieved through the purchase of RECs, not energy.

Response: No comment

9. Could the Agency conduct a successful procurement event to facilitate the development of new non-wind/solar renewable generation projects at REC prices similar to those paid through its Forward Procurement events for utility-scale wind/solar? Or would prices be similar to REC prices paid through the Agency’s Adjustable Block Program? Any competitively sensitive information may be designated by the respondent as confidential.

Response: No comment