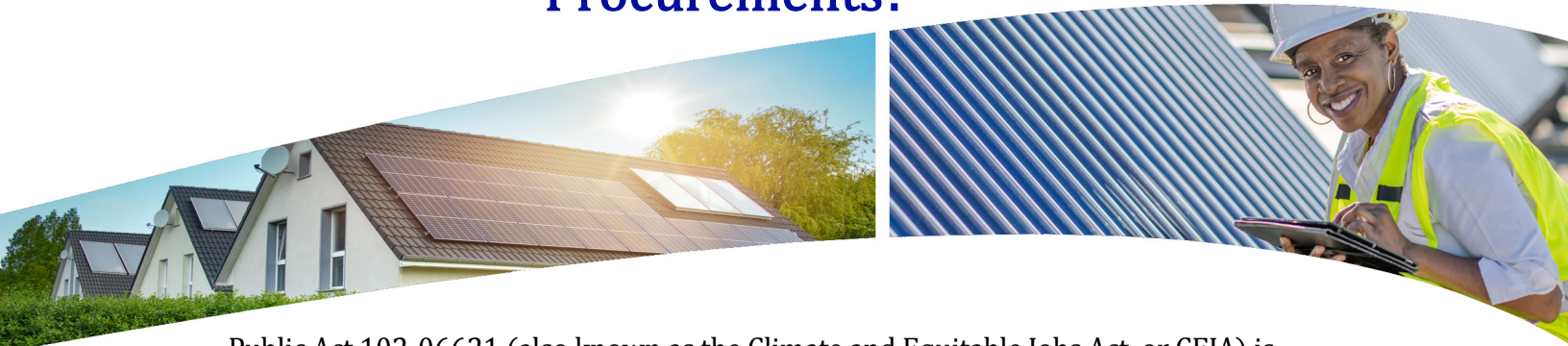




Public Act 102-0662: What Does it Mean for Illinois Power Agency Renewable Energy Programs and Procurements?



Public Act 102-06621 (also known as the Climate and Equitable Jobs Act, or CEJA) is comprehensive energy legislation signed into law by Illinois Governor JB Pritzker on September 15, 2021. The many initiatives created by P.A. 102-0662 include expanding the Illinois Renewable Portfolio Standard (“RPS”) and strengthening the diversity, equity, and labor standards applicable to the growing clean energy economy.

How Does P.A.102-0662 Impact the Renewable Energy Programs and Procurements Administered by the Illinois Power Agency (“IPA”)?

Expands the Illinois Renewable Portfolio Standard

- Increases the RPS percentage goals to 40% by 2030 and 50% by 2040 (up from 25% by 2025)
- Expands procurements of Renewable Energy Credits² (“RECs”) from new wind and solar projects. This includes a goal of 45 million RECs annually by 2030, broken down as follows:
 - 45% from wind
 - 55% from solar (50% from the Adjustable Block Program; 47% from utility-scale solar; 3% from brownfield site photovoltaic projects)
- Increases annual RPS funding from \$235 million to over \$580 million
- Provides additional flexibility around how funds are spent, allowing funds collected in one year to meet expenditures in a later year
- Directs the IPA to conduct procurements of RECs to support the development of new utility-scale wind, solar, and brownfield site solar projects within the first 240 days following P.A. 102-0662’s enactment (by May 13, 2022)
- Directs the IPA to conduct two procurements of RECs to support the development of new solar projects, coupled with storage, located on former coal plant sites

Expands the Adjustable Block Program (also known as Illinois Shines)

- Reopens the Adjustable Block Program (“ABP”) within 90 days after the effective date of the P.A. 102-0662 (by December 14, 2021)

¹ <https://ilga.gov/legislation/publicacts/102/PDF/102-0662.pdf>.

² Renewable energy credits (“RECs”) are certificates that represent the environmental benefits of electricity generated from renewable energy generation.

- Creates three additional new project categories:
 - Public Schools Projects
 - Community-driven Community Solar
 - Equity Eligible Contractor Block
- Allows for participation of projects up to 5 MW in size (up from 2 MW)

Increases Funding for the Illinois Solar for All Program

- Increases utility-collected funding for the Illinois Solar for All Program from approximately \$11 million/year to \$50 million/year
- Provides new support for projects demonstrating “energy sovereignty” for program participants
- Creates a separate multi-family distributed generation project category

Increases and Restructures Procurements Supporting New Utility-Scale and Brownfield Site Project Development

- Significantly increases REC delivery targets applicable to procurements of RECs from new utility-scale wind and solar projects
- Changes the REC pricing approach used in procurements from a fixed REC price to an “indexed” REC price, with REC prices changing based on energy markets, to ensure market risk is reduced for renewable developers and projects receive stable revenues

Creates New Diversity, Equity, and Labor requirements for IPA Incentive Programs and Energy Procurements

- Creates a dedicated Equity Eligible Contractor block within the ABP
- Creates an equity accountability system mandating minimum equity standards for IPA-administered renewable energy programs and procurements
- Creates new equity requirements and goals for utility-scale projects, including consideration of equity factors in competitive procurement bid evaluation
- Applies prevailing wage³ requirements to new renewable energy project applications submitted to the ABP (with limited exemptions for residential projects and Houses of Worship)
- Applies prevailing wage and project labor agreement requirements to utility-scale solar, utility-scale wind, and brownfield-site solar and coal to solar procurements

Learn more at www2.illinois.gov/sites/ipa

³ Prevailing wage is a minimum compensation level set by the Illinois Department of Labor by county for construction activities related to public works.