

**Adjustable Block Program REC Contract
Request for Stakeholder Comments**

October 19, 2021

Background

Public Act 102-0662 (the “Climate and Equitable Jobs Act”) was signed into law and became effective September 15, 2021. This legislation calls for substantial updates to the Adjustable Block Program (“ABP”), which currently supports new photovoltaic distributed generation and community solar projects through Renewable Energy Credit (“REC”) delivery contracts.

First Draft of Updated REC Contracts and Process for Submitting Comments

On October 19, 2021, the Illinois Power Agency (“Agency” or “IPA”) posted the first draft of the REC Contracts revised in light of Public Act 102-0662 to be used for the Adjustable Block Program reopening (October 2021 Draft REC Contracts), which are available at <https://illinoisabp.com/rec-contract/>. This Request for Stakeholder Comments is to seek feedback on the October 2021 Draft REC Contracts. The deadline to submit written comments is on November 4, 2021 and one (1) workshop is planned to facilitate stakeholder engagement on the REC Contract development process prior to the written comments submission deadline. A second draft of the REC Contracts is expected to be provided for a second round of written comments on November 18, 2021.

The Agency plans to finalize and publish the contracts prior to the opening of additional capacity under the Adjustable Block Program on December 14, 2021.

All comments/proposed edits received in accordance with the process outlined below will be reviewed by representatives from the IPA, the Program Administrator (InClime), Ameren Illinois Company, Commonwealth Edison Company, MidAmerican Energy Company, Staff of the Illinois Commerce Commission, and NERA Economic Consulting. The timeline and process for interested parties to provide comments are as follows:

Written Comments are due by 5:00 PM Central Prevailing Time (“CPT”) on November 4, 2021 and should be sent to: IPA.Solar@illinois.gov

- Please provide telephone and email contact information in the event that the Agency or its Program Administrator seeks clarification regarding your comments.
- Each of your comments must be clearly indicated by tracked changes to the Microsoft Word version of the draft contract. We strongly encourage you to provide explanatory notes either in a separate document or highlighted in tracked changes.

In general, responses will be made public and published on the ABP’s website (<http://illinoisabp.com/>) or the Agency’s website (<https://www2.illinois.gov/sites/ipa/Pages/default.aspx>). However, should a commenter seek to designate any portion of its response as confidential, that commenter should provide

both public and redacted versions. Independent of that designation, if the Agency or its Procurement Administrator or the ABP Program Administrator determines that a response contains confidential information that should not be disclosed, it reserves the right to provide its own redactions.

Stakeholder Workshop

A workshop will be held on Thursday, October 21, 2021 to discuss the October 2021 Draft REC Contracts and to facilitate stakeholder engagement on the REC Contract development process.

Workshop: Thursday, October 21, 2021. 1:00 PM to 4PM (Central Prevailing Time)

Meeting link:

https://owg.zoom.us/webinar/register/WN_7IbaJWaHS4abwAJb3xFBVw?xzm_rtaid=wE-GXUX0Tc20r3n4JYqrzQ.1633625011549.c2aff50969da39f1a112dd452c66e07&xzm_rhta_id=264

Meeting number: 917 7878 2516

Passcode: 867526

Join by phone:

+1 267 831 0333

Webinar ID: 917 7878 2516

Passcode: 867526

Another workshop, which will be held on Thursday, October 21, 2021 at 9:00 AM CPT, will discuss non-contract items related to the Adjustable Block Program reopening. For more information, please visit <https://illinoisabp.com/2021/10/07/upcoming-workshops-for-illinois-abp-thursday-october-21-2021/>.

Additional Information

For the convenience of stakeholders and interested parties, we have appended Appendix A to provide an overview of the contract structure of the October 2021 Draft REC Contracts.

Should you have any questions or need additional information, please contact Brian Granahan at 312-814- 4635 or Brian.Granahan@Illinois.gov.

Appendix A

Current Structure of the October 2021 Draft REC Contracts

To facilitate the review of the October 2021 Draft REC Contracts by interested parties, we provide the following notes:

- (a) Given the updates to system requirements, project categorization, and changes to the payment structure and delivery term introduced in Public Act 102-0662, the ABP REC Contract has been split into two separate contracts.
 - Contract 1 shall be the governing document for the following categories which feature 15-year REC delivery obligations, as described in more detail in Public Act 102-0662:
 - Small Distributed Generation Projects
 - Large Distributed Generation Projects
 - Community-Driven Community Solar Projects
 - Contract 2 shall be the governing document for the following categories which feature 20-year REC delivery obligations, as described in more detail in Public Act 102-0662:
 - Community Solar Projects
 - Distributed Generation/Community Solar Projects at Public Schools
- (b) Each of the two October 2021 Draft REC Contracts contains a main body and six (6) exhibits as follows:
 - Exhibit A – Form of Product Order
 - Exhibit B – Contact Information for Notices
 - Exhibit C – Form of Reports and Notices
 - Exhibit D – Form of Invoice
 - Exhibit E – Form of Security Instruments
 - Exhibit F – Examples
- (c) Exhibits are provided as samples and the actual forms and reports used may reflect non-material differences to facilitate the administration of the REC Contract, and some forms and reports are to be completed or updated online using the ABP platform.
- (d) Each of the REC Contracts may include multiple Transactions. One batch of projects submitted by the Approved Vendor and approved by the ICC corresponds to one Transaction; as such, one Transaction may include multiple projects. The key terms of each Transaction are specified in the Product Order applicable to such Transaction; project specific information such as pricing for RECs and nameplate capacity of the projects within a batch are provided in the schedules (such as Schedules A and B) to the Product Order.
- (e) A standard REC delivery contract between the utilities and Approved Vendors was developed and was published for use under the ABP in January 2019 (the “January 2019 REC Contract”). The January 2019 REC Contract featured a different contract structure and different section ordering. In order to facilitate a meaningful review of the changes

between the October 2021 Draft REC Contract and the January 2019 REC Contract, a Base Agreement has been prepared. The Base Agreement is a restructured version of the January 2019 REC Contract that conforms to the structure and section ordering of the October 2021 Draft REC Contract without any substantive changes. A redline comparison between the October 2021 Draft REC Contract 1 and the Base Agreement has been provided along with the October 2021 Draft REC Contract for your convenience. A second redline comparison between the October 2021 Draft REC Contract 2 and the October 2021 Draft REC Contract 1 has also been provided.

The October 2021 REC Contracts include notes to draft (“NTD”) in the format of footnotes to refer to specific provisions under Public Act 102-0662. While the contractual language proposed to implement the provisions in Public Act 102-0662 is subject to stakeholder comments, elements prescribed in Public Act 102-0662 are considered non-negotiable and are not expected to be changed. Other changes between the Base Agreement and the October 2021 REC Contracts were improvements made in the development of the refreshed REC Contract following (1) the IPA’s first revised long-term renewable resources procurement plan (“Revised Plan”), which was approved by the Illinois Commerce Commission (“ICC”) with modifications in Docket No. 19-0995 on February 18, 2020 and proposed a substantial refresh of the January 2019 REC Contract based upon lessons learned from the execution and early administration of the initial contracts; or (2) the refreshed Illinois Solar for All REC Contracts published on June 7, 2021.