



January 27, 2023

Illinois Power Agency
105 West Madison Street
Chicago, IL 60602

Advanced Energy United Comments in Response to the Illinois Power Agency's Large Customer Self-Direct RPS Compliance Program Proposed 2023 Delivery Year Program Size

Introduction

Advanced Energy United (formerly Advanced Energy Economy) respectfully submits these comments to the Illinois Power Agency's (IPA or Agency) Proposed 2023 Delivery Year Program Size for the Large Customer Self-Direct Renewable Portfolio Standard (RPS) Compliance Program (Self-Direct Program or program). Advanced Energy United, alongside the Advanced Energy Buyers Group (AEBG), were engaged in IPA's Requests for Information which informed the development of the Long-Term Renewable Resource Procurement Plan (LTRRPP) Self-Direct Program. We offer these comments to the IPA for its consideration as it establishes the program size in for the 2023 Delivery Year.

Advanced Energy United is a national clean energy trade association representing businesses across the various sectors of the advanced energy industry. The 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.¹ 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 our concern that the IPA's Self-Direct Program size of 3 million RECs is too small and imposes an unnecessarily restrictive cap that may deter participation.

Increased Program Size

¹ <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>

The Self-Direct Program is an important tool to enable voluntary buyers of renewable energy to help accelerate the state's progress toward a decarbonized electricity system. Voluntary buyers have ambitious climate and renewable energy commitments that are often faster and farther than the state's Renewable Portfolio Standard (RPS). To encourage robust participation and renewable energy development, the 2023 Self-Direct Program should be sized such that it provides potential participants with certainty that their renewable energy contracts will be approved for participation in the program if they meet the applicable program requirements. The IPA's proposed program size of 3 million RECs is extremely small and risks leaving significant excess voluntary renewable energy capacity out of the program, raising the RPS costs for all customers.

In response to the IPA Draft LTRRPP, Advanced Energy United and the AEBG recommended a conservative and reasonable program size of 4 GW (which translates to approximately 14,000,000 RECs), 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.² A 4 GW initial program size would more appropriately balance the risk of an insufficient program size—which may lead to a burdensome waitlist and participants not receiving full credit for their eligible renewable energy purchases, ultimately deterring participation—with the need to evaluate results from 2023 procurement to encourage additional participation in subsequent years. The risk amounts to losing or deferring economic activity.

While we appreciate the IPA's analysis of the market size, the Agency itself acknowledges the absence of sufficiently comprehensive market information. Given that the Agency can adjust program size on an annual basis, Advanced Energy United urges the IPA to establish a larger initial program size of 4 GW to ensure that all voluntary buyers who wish to participate can do so.

Conclusion

We appreciate the IPA's efforts to establish the LTRRPP and to design a self-direct program that supports state clean energy goals. We ask that the IPA consider these comments and increase the self-direct program size to 4 GW.

Regards,

Samarth Medakkar, Policy Principal

Advanced Energy United

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

