Clean Grid Alliance's Response to Illinois Power Agency's Request for Stakeholder Feedback on the RPS

December 3, 2021

On November 12, 2021 the Illinois Power Agency posted eight documents seeking stakeholder feedback on certain topics in preparation for publishing its updated Long-Term Renewable Resources Procurement Plan on January 13, 2022, in compliance with P.A. 102-0662. Enclosed are Clean Grid Alliance's response to certain questions presented by the IPA regarding the RPS (renewable portfolio standard).

CGA's comments respond to the following questions: 1 through 4.

GENERAL RESPONSE:

CGA reserves the right to change its position in response to comments made by others, and its lack of a response to a question should not be interpreted as not having a position on that topic, or waiving its right to comment in future workshops or litigation on the matter.

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RESPONSE

RPS Budget Accounting

1. Given the statutory guidance to maximize expenditures regardless of whether targets are exceeded, how can the Agency best balance maintaining the integrity of planned, transparent, and well-defined market opportunity information (such as a block size or maximum procurement quantity) with this need to ensure that the RPS "budget is exhausted"?

ANSWER:

If it appears that the planned procurements and ABP queues for a delivery year will not use the entire annual RPS Budget, section 1-75(c)(1)(C)(ii) gives the IPA flexibility to optimize the use of those funds for the benefit of Illinois electric customers. The prudent interpretation is that it gives the IPA direction to purchase more RECs, not let money sit idle, after giving due consideration to the many moving pieces of the RPS that could change future REC expenditures and the RPS Budget. As mentioned elsewhere, the *a priori* constraint to achieving the goals set forth in CEJA; therefore, optimizing RECs through additional procurements needs to be considered in conjunction with the long term viability of the RPS Budget.

2. Further, how can these competing objectives be balanced *within* "any given delivery year"? Would this require midstream adjustments by the Agency?

ANSWER:

Yes, the section 1-75(c)(1)(C)(ii) language should be read in a manner that gives the IPA authority to make adjustments from what is in the LTRRPP.

3. Given the recent changes to Section 1-75(c)(1)(E) of the IPA Act and Section 16-108(k) of the Public Utilities Act, is that buffer still appropriate? How should the Agency consider REC delivery contracts now featuring floating indexed REC prices in determining the appropriate buffer margin?

ANSWER:

Section 1-75(c)(1)(G)(v)(3) describes an annual process for estimating the indexed RECs impact on the RPS Budget, to ensure the budget has sufficient money. This should be sufficient to manage collection and expenditure expectations, therefore, the 5% buffer can be reduced. The amount of the buffer can be evaluated and adjusted, if need be, in future LTRRP plans.

4. How can the Agency provide more useful information updates to stakeholders about the status of the RPS collections and expenditures?

ANSWER:

The IPAs proposal to update the RPS Budget info on a quarterly basis should be helpful.

Respectfully submitted for your consideration

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