

City of Chicago – Response to Self-Direct Program Comment Request

Dear Director Star,

On behalf of the City of Chicago (“City”), I would like to thank the Illinois Power Agency (“IPA” or “Agency”) for the opportunity to comment on the Agency’s draft updated Long-Term Renewable Resources Procurement Plan (“Plan”). The City specifically seeks to offer brief comments on the IPA’s Request for Feedback on the Large Customer Self-Direct RPS Compliance Program portion of the Plan.

The City’s comments concern Question 5 under the Program Size section of the Request for Feedback.

First, the City would ask that the Agency clarify that public agencies would be considered “commercial users.” This clarification is supported by the text of Public Act 102-0662, which allows “any retail customers” to participate in the Program provided they meet the requisite demand requirement and other eligibility requirements related to the renewable energy project. Clarifying that public agencies are “commercial users” also is in accordance with public agency treatment by Commonwealth Edison Company (“ComEd”) for various purposes. For example, public agencies often have accounts subject to rate treatment in commercial rate classes. In addition, public agencies participate in ComEd’s energy efficiency program through the commercial portion of that program.

Second, the City would urge the Agency to preference public agency projects when choosing between individual projects if applications exceed program capacity. Many public agencies have ambitious climate change and renewable energy goals, which often include purchasing renewable energy from new Illinois renewable energy projects to power public operations. For example, the City of Chicago has a commitment to supply 100 percent of municipal operations electricity supply needs with renewable power by 2025. To meet this commitment, the City is currently conducting an RFP for a new electricity supplier who will help the City obtain new generation renewable supply. Many other Illinois public agencies are pursuing similar goals. While Illinois local governments and public agencies have ambitious goals, we also face challenges that often well-resourced private firms do not face when entering into renewable energy project supply contracts. We have much more limited budgets and we adhere to procurement processes that do not always align with a very quick-moving market. Interest in new renewable energy projects in Illinois, PJM, MISO and beyond continues to increase. Thus, for public agencies, the availability of the Agency’s Self-Direct RPS Compliance Program will be invaluable and could be the difference between a project penciling out to be within a government’s budget or not. The City believes that the Public Act provides sufficient discretion for the Agency to thus preference public agency projects on these public policy grounds if it ever needs to choose between otherwise eligible projects.

Finally, the City suggests that the Agency consider a second preference based on the number of full-time living wage employees employed by the applicant in Illinois. Such a preference would provide a financial benefit for those entities seeking to supply their operations with renewable energy who are also most likely to be able to return the financial savings of the Self-Direct Program back into the Illinois economy through hiring and other economic activity.

Thank you again for the opportunity to submit this feedback.

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