

COMMENTS OF COMMONWEALTH EDISON COMPANY

Commonwealth Edison Company (“ComEd”) respectfully submits comments and recommendations regarding the questions posed during the Illinois Power Agency (“IPA”) Feedback Request on November 12, 2021 and subsequent workshops conducted by the IPA on November 18, 2021. ComEd appreciates the IPA’s commitment to solicit stakeholder feedback as part of the development of the 2022 Revised Long-Term Renewable Resources Procurement Plan.

Self-Direct Program Questions

6) What is the correct approach to determining bill credit levels? Do commenters agree with the IPA’s statutory interpretation? What other interpretations could be offered to this language?

ComEd Response: Like the IPA, ComEd finds that certain provisions of Section 1-75(c)(1)(R)(4) pose interpretive challenges. While the IPA’s Request highlights certain issues in the first sentence of subparagraph (4), ComEd notes that the second sentence must also be given due consideration and effect. This sentence provides, in part, that “[t]he self-direct credit amount shall be determined annually and is equal to the estimated portion of the cost authorized by subparagraph (E) of paragraph (1) of this subsection (c) [i.e., the RPS rate cap] that supported the annual procurement of utility-scale renewable energy credits in the prior delivery year using a methodology described in the long-term renewable resources procurement plan [“LTRRPP”]....” and subject to the additional specified adjustments. 20 ILCS 3855/1-75(c)(1)(R)(4). In short, the statute unambiguously authorizes the IPA to include the proposed crediting methodology in its next revised LTRRPP, a process that enables the IPA to establish an equitable methodology and the affords it the opportunity to clarify any vague or ambiguous language based on the comments it receives now and during the revised LTRRPP proceeding.

In ComEd’s view, it is critical that this methodology take into account that the retail customers participating in the self-direct program are required to procure RECs “equivalent in volume to at least 40% of the eligible self-direct customer’s usage,” which far exceeds current and near term RPS targets (e.g., 19% for DY2021). Compare 20 ILCS 3855/1-75(c)(1)(R)(2)(iv) with 20 ILCS 3855/1-75(c)(1)(B). Indeed, the overall RPS target does not reach 40% until DY2030. This mismatch between the procurement requirement imposed on self-direct customer and the requirement imposed under the State’s RPS program is further exacerbated by the fact that the State is well below achieving its applicable RPS target. Given that self-direct customers are required to supply nearly double the amount of RECs currently required under the larger Statewide RPS, ComEd believes that the crediting methodology should reflect a credit amount at least equal to the full monthly RPS charge calculated pursuant to Section 1-75(c)(1)(E). This would also be consistent with the RPS credit methodology for net metering customers as they avoid paying RPS charges for the kWh they generate.

Because the amount of the credit (and methodology used to derive the credit amount) will be crucial to the success of the Program, it is imperative that the IPA and Commission provide stakeholders with reasonable opportunities to submit evidence to the Commission regarding the methodology and credit amount.

7) *Given that the Commission does not normally approve compliance filings, how should the Agency comply with this provision?*

- a) *What process should the Agency propose for the Commission's review and approval of self-direct rates?*

ComEd Response: While ComEd is not offering comments regarding a specific process, it is important that the Commission annually enter a final Order clearly identifying, for each self-direct customer, the number of RECs included and the specific credit amount to be applied by the electric utility on the customer's bill. ComEd also acknowledges that outlining a specific and certain calculation methodology within the long-term renewable resources procurement plan may narrow the issues for the annual credit approval process.

- b) *What information should the Agency include in such a filing to a) assist the Commission in making that determination and b) provide interested parties with visibility into how self-direct crediting rates are being set?*

ComEd Response: Contemporaneous with the submission of these Comments, ComEd is submitting to the Commission its proposed revisions to ComEd's RPS cost recovery mechanism, Rider REA – Renewable Energy Adjustment ("Rider REA"). These changes are designed to conform Rider REA's provisions to Public Act 102-0662, and accordingly includes the addition of a new section that addresses the Program. Because this section identifies the IPA- and Commission-approved information to be provided to ComEd for purposes of applying the credit, it is particularly responsive to the IPA's question. The relevant information can be found on 1st Revised Sheet No. 235.8 of the proposed revisions to Rider REA

APPLICATION PROCESS

8) *How should the application process operate?*

(c) For how long should the application window stay open for a given delivery year?

ComEd Response: As reflected in ComEd's revisions to Rider REA, ComEd is proposing to the Commission that a self-direct customer provide its IPA-approved application to ComEd no later than 30 days prior to the start of the delivery year to which the customer seeks to begin receiving credits under the Program. This requirement appears on 3rd Revised Sheet No. 235.7 of the proposed revisions to Rider REA.

9) *How should the Agency determine whether an applicant is indeed compliant?*

(a) What types of documentation should the Agency seek?

ComEd Response: In addition to any verification the utility can undertake based on the information it is authorized to require, the IPA should also independently verify compliance and request from the self-direct customer provide such information as is necessary for the IPA to make this determination. This will ensure that the IPA can fulfill its statutory obligation to file a petition with the Commission in instances of noncompliance so that the Commission can direct

the utility to recover the costs of wrongfully received self direct credits. 20 ILCS 3855/1-75(c)(1)(R)(6).