



### **CURRENT STATUS OF RPS BUDGET—JUNE 9, 2021**

Since the conclusion of the Illinois General Assembly's regularly scheduled legislative session on May 31<sup>st</sup>, the IPA has received questions about status of the Illinois RPS budget used to fund renewable energy credit delivery contracts. Specifically, parties have asked about the status of payments to projects currently under contract and what risks those contracts face, as well as the possibility of new REC delivery contracts being awarded for waitlisted projects. This release attempts to address those questions—with answers reflecting the IPA's understanding of these issues as of June 9, 2021.

First, pursuant to the Illinois Commerce Commission's May 27, 2021 Order on Reopening in Docket No. 19-0995, photovoltaic projects currently under REC delivery contracts will continue to be fully paid in a timely manner through the conclusion of the 2021 calendar year. Under that Order, the IPA will file updated RPS budget projections on or before December 30, 2021 demonstrating the balance of what payment deferrals, if any, will be required for the remainder of the 2021-22 delivery year (January through May of 2022). Any resultant payment deferrals would apply only to Adjustable Block Program and utility-scale initial and forward procurement contracts, with deferred amounts paid during the first invoicing period of the subsequent delivery year. Payment deferrals will not be necessary should legislation alleviating RPS budget issues pass before that time.

Regarding the scale of payment deferrals, the IPA's most recent RPS budget modeling (conducted in June 2021—with release expected in the coming days—reflecting invoicing for the period concluding May 31, 2021) demonstrates *reduced* payment deferral amounts than previously forecast in the IPA's [December 28, 2020 RPS budget release](#). Specifically, the anticipated shortfall for ComEd contracts has decreased from \$58.6 to \$21 million; for Ameren, rather than a \$8.4 million shortfall the Agency now projects no shortfall; and for MidAmerican, no change with a \$0.1 million shortfall. Final determinations of shortfalls and deferral amounts will be based on the December 2021 budget update.

The decreased amounts primarily reflect a faster-than-previously-modeled energization rate for small distributed generation systems, with 81% of allocated capacity energized as of May 31, 2021. Other contributing factors include a slightly higher energization rate for community solar (31% vs. 28%) and a reduction in forecast expenditures for utility-scale systems. Mitigating this improved forecast is a slower-than-forecast energization rate for large distributed generation systems, with only 76% of capacity energized rather than 88%.

Second, new blocks of the Adjustable Block Program will not open until additional RPS funding is authorized by changes in state law. Waitlisted projects may continue to be selected as prior-selected projects drop out, and as called for under the Commission's Order on Reopening, the Illinois Solar for All Program will continue to operate at its currently budgeted scale.

Third, the omnibus energy legislation being debated by the Illinois General Assembly would both address current RPS funding situation (thus mooted any payment deferrals) while providing funding for opening additional Adjustable Block Program blocks and conducting additional utility-scale wind and solar procurements. The IPA understands that such legislation would also create specific timelines for the opening of new blocks (within a period after the law's effective date) while expressly and prescriptively addressing how waitlisted projects will be prioritized.



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As of June 9, 2021, [the Illinois General Assembly is scheduled to address omnibus energy legislation across its June 15-16 session dates.](#) The IPA remains optimistic about a favorable legislative solution that would adequately address existing REC payment obligations while providing for renewable energy project market certainty and growth into the coming years.