

**September 30, 2019**

**Anthony Star, Director  
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*Submitted Electronically to [IPA.contactus@illinois.gov](mailto:IPA.contactus@illinois.gov)*

**To Director Star:**

**Re: Request for Comments on the Draft 2019 Long-Term Renewable Resources Procurement Plan, Published on August 15, 2019**

The Natural Resources Defense Council (“NRDC”) thanks the Illinois Power Agency (“IPA”) for this opportunity to comment on the next iteration of the Long-Term Renewable Resources Procurement Plan (“LTRRPP” or “Plan”) issued on August 15, 2019, which will set out how renewables are procured during 2020 and 2021. In addition, NRDC recognizes the hard work and thought IPA has put and continues to put into meeting the requirements of Public Act 99-0906 (“the Act”), commonly referred to as the Future Energy Jobs Act (“FEJA”).

NRDC is a nonprofit corporation organized under the laws of the State of New York, with a regional office in Illinois. NRDC has over thirty years of experience working on state energy policy, including utility regulation and energy efficiency. NRDC has members who live, use electricity, and pay electric bills in Illinois. NRDC has members in Illinois who are interested in participating in the programs proposed in the IPA’s Long-Term Renewable Resources Procurement Plan and who value the environmental and public health benefits that will be created by the Plan. NRDC and its members have a longstanding interest in developing and promoting policies and programs to expand renewable and clean energy markets in Illinois and across the

Midwest. And, NRDC participated in negotiations and advocacy that led to the passage of the Public Act 99-0906 and the proceeding approving the original LTRRPP for 2018 and 2019.

**I. IPA should reopen the Plan if new legislation is passed which impacts it but should not file a Motion to Stay at this time.**

NRDC wants to address the potential for future legislation and its impact on revising the Plan. At the workshops held in June, representatives of the IPA mentioned the potential for legislation that could change the laws and budget for the LTRRPP. They asked how they should handle this uncertainty when revising the Plan. The Plan itself asks for feedback on a Joint Solar Parties' proposal to file a motion to stay the Plan with a status hearing around November 19. NRDC does not support a motion to stay the Plan at this time. The IPA has an obligation to revise the long-term renewable resource procurement plan every two years and to do so in a timely manner. The legislative process is always uncertain, and the IPA should not wait to see what comes out of that process and instead proceed with revising the Plan.

NRDC recommends the Agency consider the following. The Plan if possible should have automatic triggers for reopening and revising it if new legislation is passed. The IPA can take this step without knowing the outcome of any potential legislation. If new legislation is passed, it will likely significantly impact the procurement of renewables by the IPA, and the IPA should quickly begin a process to adjust the Plan to best meet these changes. However, even if legislation is likely to or does pass, IPA should ensure that stability persists and that there are not long delays in the renewables market and critical programs like Solar for All.

**Alternative Wording Proposed:**

(p. 21) The IPA recognizes that legislation may pass that significantly impacts the procurement of renewables by the IPA for the time period covered by this Plan. In the event that legislation passes, the IPA will reopen the Plan for a revision process. This process will include, at

minimum, convening a stakeholder meeting to solicit feedback on how to revise the Plan to best address the changes created by the legislation.

**II. The Plan should do more to encourage geographic diversity of Adjustable Block Program community solar projects.**

In an effort to increase the locational diversity of Adjustable Block Program projects, the IPA divides projects into two groups based on utility service territory. As NRDC has noted previously, we find that this grouping does not meet the diversity requirements envisioned by FEJA. While data released by the IPA indicates sufficient geographic diversity of small and large distributed generation projects, the same cannot be said for community solar projects. Thus far, community solar projects have been largely concentrated in rural areas, leaving urban areas underserved.

NRDC strongly encourages the IPA to take further measures to prioritize and incentivize the geographic diversity of community solar projects. These measures may include weighted scoring of projects on the waitlist, in which projects that will be developed in new areas are scored higher and thereby given some priority in the event that capacity becomes available. Another potential measure is to reserve some amount of future capacity for community solar projects located in new areas. Another option is for the IPA to develop a list of underserved zip codes (or other locational categories such as counties or municipalities) and first select community solar projects located in those areas until a certain portion of those areas has been served. NRDC believes that these options for prioritization of geographic diversity can be based on robust and measurable criteria. These options are explored further in the discussion of waitlists that follows.

**Alternative Wording Proposed:**

(p. 115) The IPA will keep a list of zip codes that are not served by community solar projects. In the event that additional capacity for community solar projects becomes available, the IPA will prioritize projects located in these underserved areas.

**III. Maintaining a waitlist for the oversubscribed community solar blocks is reasonable.**

Demand has far exceeded available funding and block capacity for community solar projects, leading to an enormous waitlist of projects awaiting selection. Maintaining waitlists for existing blocks in order to backfill community solar projects that were selected but not developed is a reasonable approach. However, in the event that new capacity blocks open, the IPA should initiate a new application process. The IPA should allow developers on the existing waitlist to apply for these new blocks but should not give priority to these applicants.

Rather, for both the existing waitlist and any new capacity blocks, community solar projects should be selected using an approach that prioritizes geographically diverse and community-driven projects. For backfilling from the existing waitlist, this means first selecting projects located in areas that do not currently have a community solar presence, with additional weight given to projects that are community-led. (Community leadership on a project can be verified through statements from communities included in project applications.) However, given that the current waitlist is not more geographically diverse than currently-selected projects, it may be easier to incentivize geographic diversity for new capacity blocks. For any new blocks, this means either reserving a certain amount of block capacity for geographically diverse projects or creating a list of geographic voids and first selecting projects that fill a certain portion of those voids, with extra weight given to projects that are community-led. It is crucial that the IPA make

these incentives clear to potential project communities and developers in order to draw a diverse applicant pool.

**IV. The Plan correctly prioritizes new build over annual goals.**

NRDC supports the IPA's decision to maintain the annual RPS percentage-based goals and renewable energy credit (REC) targets, as well as the continued prioritization of new wind and solar development. The IPA's continued focus on long-term goals, with no spot procurements planned, is appropriate. As NRDC has noted previously, spot procurements do not incent new renewable development in Illinois, nor do they help meet percentage-based goals or promote the public health and wellbeing of Illinois citizens. These circumstances have not changed since the Illinois Commerce Commission rejected using spot procurements in the Initial Plan. Given the budgetary constraints outlined in the LTRRPP, it is now even more important to allocate funds toward new renewables build when possible rather than spot procurements.

**V. The Plan correctly determines that the wind/solar balancing (or matching) requirement cannot be implemented until deliveries from the Initial Forward Procurement projects begin.**

The Plan reasonably determines that the wind/solar balancing (or matching) requirement cannot be implemented until deliveries from the Initial Forward Procurement projects can be initiated, which has been delayed until June 1, 2022. The Plan points out that the Act contemplated the delay and longer time horizons between wind and solar development, noting wind and solar procurements have different dates. Further, the Act required that the matching requirement apply after the delivery of RECs from the initial procurements. 20 ILCS3855/1-75(c)(1)(G)(iv). Given that the deadline for REC delivery from initial procurements has been extended from June 1, 2021 to June 1, 2022, it follows that the enforcement date for the balancing requirement should also be extended to June 1, 2022. It would be counterproductive to

try to enforce the balancing requirement before this deadline, as the total number of RECs from wind and solar projects will not be known until all projects have been energized. The LTRRP determination to extend the deadline for enforcement of the wind/solar balancing requirement to June 1, 2022 is reasonable.

**VI. The Plan appropriately plans for potential budgetary constraints, including allowing flexibility in use of the Alternative Compliance Payments.**

The Plan details budgetary constraints that will be challenging especially when the rollover of funds is no longer permitted. In light of this constraint, the IPA reasonably plans to exercise greater flexibility in its use of Alternative Compliance Payments (ACP) funds, specifically to pay existing contracts from the Adjustable Block Program and Forward Procurements if necessary when the rollover funds are no longer available. NRDC supports the IPA using these funds to provide future stability to the program.

Further, the LTRRPP details how funds should be spent if there is more money than needed to fulfill existing contracts, including in order of priority: opening blocks for distributed generation, then brownfields, then utility scale solar, and finally utility scale wind. NRDC is comfortable with this approach. But if funding levels meaningfully increase, NRDC recommends that the IPA revisit this approach as it may no longer be the best use of resources.

**VII. The Plan's proxy approach taken to determine MidAmerican's Applicable Load is reasonable.**

NRDC supports the IPA's plans to accommodate this change and to mitigate the contract curtailment, budget destabilization, and failure to meet REC targets that might otherwise result from MidAmerican's forecast adjustment. In 2018, MidAmerican updated its load forecast methodology, resulting in a significant reduction in its projected load and therefore the load subject to the Illinois RPS. IPA has come up with a reasonable way to address the uncertainty to

help stabilize the RPS budget for MidAmerican, and NRDC does not propose an alternative approach at this time.

**VIII. Adjacent State Public Interest Criteria is appropriate to meet the requirements of the Act.**

NRDC supports the IPA's approach to evaluating adjacent state facilities for REC procurement eligibility. The IPA has devised a thoughtful and well-reasoned approach to determine whether a renewable project will benefit the citizens of Illinois by reducing air pollution, specifically looking at likely pollution reductions in sulfur dioxide, nitrogen oxide, and carbon dioxide, as well as other features. NRDC is supportive of the current approach and agrees that these criteria meet the requirements of the law and should not be revised at this time.


## IX. Conclusion

NRDC thanks the IPA for the opportunity to comment on the Draft 2019 Long-Term Renewable Resources Procurement Plan. We ask the IPA to consider our recommendations to strengthen and improve implementation of the Act and achieve its goals.

Respectfully submitted by,



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