



Distributed Generation Workshop
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House Bill 2427
Supplemental Solar Procurement
Overview & Key Provisions

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HB 2427: Procedural History

- Basic language manifest in proposed legislative language in 2013
- Showed up again in mid-May
- Sponsored by Sen. Harmon, Rep. Gabel
- Passed Senate 55-0, House 97-10
- Broad universe of stakeholders with documented support
- Not yet transmitted to Gov per ilga.gov



HB 2427: Supplemental Procurement Overview

- Up to \$30 million taken from existing appropriation from RERF
- Renewable energy credits from photovoltaics
- RECs from “new or existing resources,” including distributed generation
- No express provisions re: system size (except half of DG must come from < 25 kw systems)
- IPA Plan Development → Commission Approval
→ Procurement Event



HB 2427: DG Specific Provisions

- Must be some from distributed, but no express amount mandated within new 1-56(i)
 - Still have DG carveout provision, however
- For DG, at least half of RECs must come from systems < 25 kw in size
- Multi-year contracts of at least 5 years in length
- Aggregators, but no 1 MW floor
 - Open-ended, addressed through plan development
- Credit requirements
 - Open-ended, also addressed through plan development



HB 2427 DG Specific Provisions (cont.)

- Must use “qualified person” to “install” for new PV systems participating
- Not a rebate program; IPA is a procurement agency, and is procuring RECs off PV systems
- Not a long-term PPA, purely REC stream
- Not exclusive – can be done in conjunction with other rebates, tax credits, etc.
- Can develop separate benchmark for each “product,” including unique to new DG
- Standard form contracts – no post-bid negotiations on terms other than price/quantity (See 1-56(i)(4) for more info)



HB 2427: Benefits to IPA

- Not simply “authority?” vs. “no authority?” inquiry
- Certainty
 - Need corresponding utility energy procurement (1-56(c))
 - Still have “like resources” requirement (1-56(d))
- Clarity
 - Cost recovery expressly addressed
 - Separate benchmarks for each product
 - Ambiguity re: application of wind requirement
- Process
 - 3 avenues for feedback – plan development, comment, litigate
 - Commission and procurement monitor involvement
 - Aggregator flexibility important, otherwise unavailable
- Challenges with Precedent?



HB 2427: Process Going Forward

- Sign → 90 → 14 → 14 → 90 → Procurement
- Plan development process, workshop(s)
- Look to successful programs from other states
- Need feedback from all stakeholders:
 developers, potential aggregators, NGOs,
 utilities, etc.
- Big issues – dividing/prioritizing the funds,
 staging, risk allocation, etc.