

RPS Stakeholder Feedback

Response to Illinois Power Agency Request for Stakeholder Feedback

December 3, 2021

Company:

Invenergy LLC (“Invenergy”) is a leading privately held developer and operator of sustainable energy solutions headquartered in Chicago. Invenergy has completed development on 17 sustainable energy projects in Illinois and is pursuing additional opportunities in the state. Proud of our Illinois roots, Invenergy has long looked to provide value to the state by siting some of our most innovative projects on Prairie State Soil. Our Grand Ridge Energy Center, three energy technologies co-located at a single site, received Power Engineering and Renewable Energy World Magazines’ 2015 Project of the Year Award for Best Renewable Project as well as Energy Storage North America’s Innovation Award.

Through our growth journey, the state of Illinois and the Illinois Power Agency (“Agency”) have been crucial partners. Invenergy commends the efforts of the state to expedite the decarbonization of our energy grid and the thoughtful expansion of renewable energy deployment.

Invenergy submits the following responses and respectfully request that the Agency consider the feedback provided below.

Stakeholder Feedback Questions:

RPS Budget Accounting:

1. Given the statutory guidance to maximize expenditures regardless of whether targets are exceeded, how can the Agency best balance maintaining the integrity of planned, transparent, and well-defined market opportunity information (such as a block size or maximum procurement quantity) with this need to ensure that the RPS “budget is exhausted”?

RESPONSE: If it appears that the planned procurements and ABP queues for a delivery year will not exhaust the budget, the prudent interpretation of section 1-75(c)(1)(ii) is that the Agency now has the flexibility to attempt to optimize that procurement. The Agency should be conservative in its forecast of expenses to ensure that it does not spend more of its budget than is available. Making financial commitments in excess of the Agency’s budget will only lead to the same crises that the Agency has faced over the past few years. Another budget crisis would render it practically impossible for banks to finance projects thereby leading to a failure in the procurement program writ large.

3. Given the recent changes to Section 1-75(c)(1)(E) of the IPA Act and Section 16-108(k) of the Public Utilities Act, is that buffer [utilizing a 5% buffer between expected collections and expected expenditures] still appropriate? How should the Agency consider REC delivery contracts now featuring floating, indexed REC prices in determining the appropriate buffer margin?

RESPONSE: As it is clearly stated in the legislation, in determining the appropriate budget and buffer to account for indexed RECs, the Agency should utilize an industry-standard, third-party forward price curve for energy at the appropriate hub or load zone, including the estimated magnitude and timing of the price effects related to federal carbon controls. The Agency should update this curve on an annual basis. To mitigate risk, a small buffer may still be appropriate to account for a margin of error in the industry standard forward price curve or the most conservative industry standard curve could be used.

4. How can the Agency provide more useful and informative updates to stakeholders about the status of RPS collections and expenditures?

RESPONSE: The Agency should consider providing the opportunity for stakeholders to sign up for email notifications when updates to RPS budgets and procurement volumes are released. Listservs are common practice in RTOs/ISOs and are a useful tool for information dissemination. Notifications, both on the website and via email, of when stakeholders can expect to see upcoming updates would be valuable as well. Finally, it would be helpful to have more reader friendly budgeting tables as stakeholders are often forced to cobble together a number of data points in long term plans to understand the remaining budget and REC procurements (total) to date.