To: Illinois Power Agency
From: The Joint Non-Governmental Organizations (ELPC, NRDC, Vote Solar)
Date: December 3, 2021
Subject: Joint NGOs - Response to RPS Comment Request.

The Environmental Law and Policy Center, the Natural Resources Defense Council and Vote Solar (VS), commenting together as the Joint Non-Governmental Organizations or Joint NGOs (JNGOs), appreciate the opportunity to comment ahead of the Illinois Power Agency's (IPA or Agency) development of its 2022 revision to the Long-Term Renewable Resources Procurement Plan (Plan or LTRRPP).

The passage of the Climate and Equitable Jobs Act (Public Act 102-0662) this fall requires significant expansion and reimagination across the renewables programs and procurements outlined in the IPA's Plan. It is an exciting and busy time and the IPA has a lot on its plate. With this in mind, the Joint NGOs urge the Agency to anticipate the need for continued growth and evolution even after the final Plan has been approved by the Illinois Commerce Commission. This need for ongoing evolution will be particularly true for:

- The new community-driven community solar program, where the state still has much to learn about what a successful community-driven project looks like (and potentially for other new programs where there is still much to learn).
- REC prices, where Illinois needs to set prices to drive significantly expanded renewables goals, but does not want to repeat past mistakes of failing to adjust those prices if market response is out of line with statutory goals.
- And the low-income distributed generation subprogram of the Illinois Solar for All Program, which has seen far lower uptake than similar programs in other states and therefore requires ongoing and detailed attention to get it on track.

The Joint NGOs comments in response to the various requests for feedback published in early November touch on each of these topics and respond to multiple of the specific requests for comments the IPA makes. The Joint NGOs look forward to working constructively with the Agency and other stakeholders through the Plan's update process and beyond to make Illinois' renewables programs and procurements a success and achieve the goals of the Climate and Equitable Jobs Act.

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”?
2. Further, how can these competing objectives be balanced within “any given delivery year”? Would this require midstream adjustments by the Agency?
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 [5%] buffer still appropriate? How should the Agency consider REC delivery contracts now featuring floating, indexed REC prices in determining the appropriate buffer margin?

While the Plan is updated every two years, the Agency should have sufficient information midway through a given delivery year to know whether there would be sufficient capacity available within the annual budget to open additional blocks of the Adjustable Block Program at the same annual price point. At minimum, we recommend the Agency consider opening more ABP blocks and/or introducing additional competitive procurements on an annual basis.

The 5% buffer proposed by the Agency in the now withdrawn Revised LTRRPP was and remains a prudent margin to accommodate uncertainty in program budget revenues and expenditures. In particular, given the volatility of locational marginal prices and their direct impact on indexed REC prices and thus program expenditures, some operating reserves will be essential to ensure against shortfalls.

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

The RPS budget is complicated by a number of factors that make it challenging to predict revenues and expenses for the program on a year-to-year basis, not to mention over medium and longer terms. As was shown in the initial blocks, contract terms, relative block sizes and uptake, project completion dates, and other factors can affect annual expenditure amounts. Likewise, macroeconomic changes, weather and other factors can affect electricity sales, and thus revenues.

Quarterly updates to the RPS collections and expenditures on the IPA website would be a welcome addition, as it would provide more transparency and predictability for stakeholders to monitor overall health of the program.

In addition to updates on RPS collections and expenditures, it would also be helpful to post high level deployment data, ideally by different resource types, for the programs and procurements in the Plan as a whole on a quarterly basis. While this data can be gleaned from the various dashboards, project application reports, and/or by cobbling together posted results from procurements, there is no way to easily check official numbers of - for instance - how much solar in the Small DG category has been deployed through the Adjustable Block Program, between Plans.

Non-PV Community Renewable Generation

The JNGOs support the deployment of non-photovoltaic community renewables in Illinois and would be happy to see a successful procurement come out of this Plan update. That being said, given the failure of the previous procurement for non-photovoltaic (PV) community renewables just two years ago and the large volume of new responsibilities Public Act 102-0662 has given to the IPA, the Agency should not waste time or resources planning for another such deployment in the absence of a clear indication that such a procurement has a reasonable chance of success.