

Illinois Power Agency Announces Plan to Conduct Policy Study

August 23, 2023

On May 26, 2023 the Illinois General Assembly passed [House Bill 3445](#) (“HB 3445”). If enacted, HB 3445 would direct the Illinois Power Agency (“IPA” or “Agency”) to conduct a Policy Study to evaluate the potential impacts of three renewable energy proposals and provide policy recommendations back to the General Assembly. HB 3445 specifically seeks evaluation of the following proposals:

- A proposal for the deployment of energy storage systems owned by private, large-scale energy storage providers through the procurement of energy storage credits, as described in [Senate Bill 1587](#);
- A pilot program to establish one new utility-scale offshore wind project in Lake Michigan, as described in [House Bill 2132](#);
- A policy requiring the procurement of renewable energy credits from a high voltage direct current (“HVDC”) transmission line to support that HVDC project’s development.

While Governor Pritzker issued an amendatory veto of HB 3445 on August 16, 2023, the Agency will be conducting the Policy Study regardless of the final disposition of HB 3445. Consistent with the schedule outlined in HB 3445, the Agency plans to publish an initial draft of the Policy Study by January 21, 2024 for public comment and publish a final Policy Study no later than March 1, 2024.

This announcement provides stakeholders with background information and outlines how the Agency plans to conduct the Policy Study. The Agency has begun the process of requesting data from proponents of these proposals and will be seeking additional stakeholder feedback in the weeks to come.

The IPA has developed a [Policy Study page](#) on the Agency’s website to share key information and provide visibility into the timeline for Policy Study development. The IPA will be updating the Policy Study page with progress updates while the Study is underway.

Planned Approach

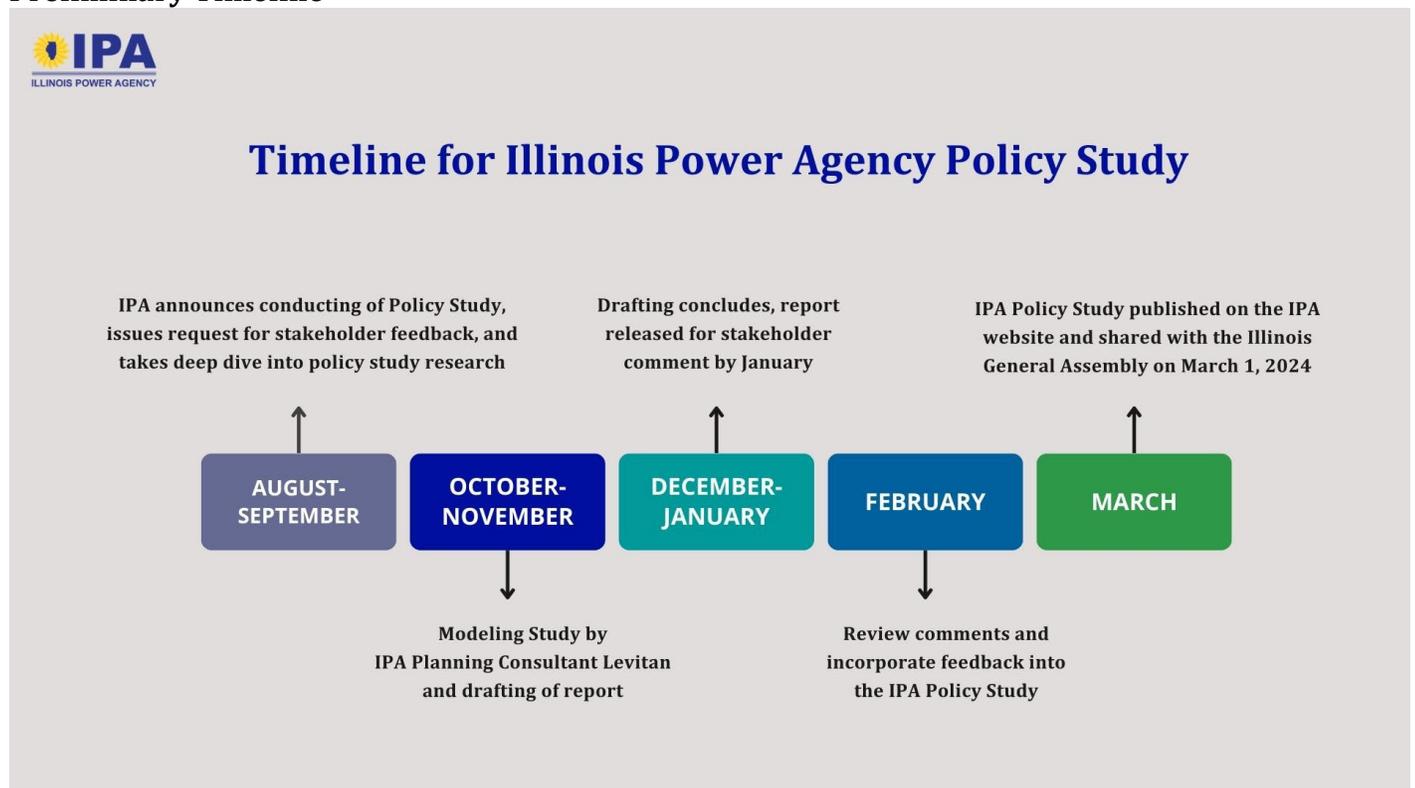
The IPA has engaged its Planning and Procurement Consultant, Levitan and Associates, to undertake the modeling and analytical work necessary to conduct the Policy Study. The Policy Study will utilize industry standard modeling tools including GE MARS to evaluate the impacts on generation reliability and resource adequacy; PSS/E and TARA to evaluate the impacts on transmission reliability and grid resilience; Aurora production cost simulation to evaluate the impacts on

electricity prices and generation related emissions; and IMPLAN to evaluate the impacts on the State's economy.

The Agency's Planning and Procurement Bureau will work closely with Levitan on analyzing results from these modeling tools and will develop policy recommendations for the General Assembly that consider:

- Support for Illinois' decarbonization goals
- The environment
- Grid reliability
- Carbon and other pollutant emissions
- Resource adequacy
- Long-term and short-term electric rates
- Environmental justice communities
- Jobs, and the economy

Preliminary Timeline



Stakeholder Input Opportunities

The Agency has begun targeted outreach to companies, organizations, and advocates behind these policy proposals to receive essential information, inputs, and specifications for conducting the modeling outlined above. The information requests issued to those parties [can be found here](#).



Should any other stakeholders feel that they have information responsive to these requests, that data or information should be sent to the IPA at the email address listed below.

The Agency is also interested in studies, reports, analyses, and policies from other jurisdictions that would help inform the Policy Study, specifically regarding energy storage. **Stakeholders are welcome to submit information to the Agency at IPA.contactus@illinois.gov.** If stakeholders wish to submit confidential information for the Agency's consideration, they may request access to a secure file transfer system. Information considered confidential and/or proprietary will be protected under the provisions of Section 1-120 of the IPA Act (and new Section 1-129(e), should it take effect).

In addition to the items outlined above, a broader stakeholder feedback request will be forthcoming allowing parties to provide additional information helpful to Policy Study development.