



Large Customer Self-direct Renewable Portfolio Standard Compliance Program Announcements

February 1, 2023

The Climate and Equitable Jobs Act (Public Act 102-0662) enacted on September 15, 2021, contained a new provision, Section 1-75(c)(1)(R) of the Illinois Power Agency Act, to “establish a self-direct renewable portfolio standard compliance program for eligible self-direct customers that purchase renewable energy credits from utility-scale wind and solar projects through long-term agreements.” Participating entities will be eligible to receive an adjustment to their renewable energy charges from the applicable utility. On an annual basis the Illinois Power Agency (“Agency”) is required to establish the size of the program, determine the bill credit rate, and accept applications for participation.¹

Program Application Form Released

The Agency has released the [Application Form](#) for the 2023-2024 Program Year.

The Agency will begin accepting applications on February 15, 2023, with an application deadline of March 15, 2023. The Agency will review applications received, request additional information if needed, and will notify eligible participants by April 15, 2023. If eligible applications exceed the program year size, the Agency will select approved applications based on the protocol outlined in Section 6.6.3 of the [2022 Long-Term Plan](#).

Applicants with questions about the Application Form or the application process more generally should contact Anthony Star at anthony.star@illinois.gov.

Program Size

The Agency has determined that 3,000,000 Renewable Energy Credits (“RECs”) is the program size for the Self-direct Program for the 2023-2024 program year.

On November 30, 2022 the Agency issued [Requests for Information](#) (“RFIs”) to potential program participants and stakeholders to solicit information that would help inform the determination of the program size for the 2023-2024 program year. The Agency evaluated publicly available analyses and studies of the potential market, as well as responses to the

¹ For more details on the program, please see Chapter 6 of the Agency’s [2022 Long-Term Renewable Resources Procurement Plan](#).



RFIs. On January 20, 2023, the Agency published a [Report](#) that proposed program size of 3,000,000 annual Renewable Energy Credits (“RECs”).

The Agency received only one [response](#) (from Advanced Energy United) that proposed a program size 4 GW, which would translate into approximately 14 million RECs. That proposal was based on their analysis of studies that suggested a potential for 3 GW of project capacity in Illinois, in addition to the 1.65 GW of projects already procured by large customers. The Agency appreciates the feedback provided by Advanced Energy United, but declines to adopt their proposal and will maintain the size contained in the January 20, 2023 Report.

Advanced Energy United (under their former name, Advanced Energy Economy) had previously suggested this program size in [comments](#) on the draft 2022 Long-Term Renewable Resources Procurement Plan and was considered at the time. The Agency notes that a program of this proposed size would represent approximately 10% of the load in Illinois (compared to the Agency’s 3 million REC quantity which would represent approximately 2.3% of load in the state, still a very substantial amount of renewable energy resources). Furthermore, RECs previously procured by large customers might not qualify for the program for factors such as commercial operation date of the facility supplying the RECs, or contract terms not consistent with the requirements of the Self-direct Program, so the potential for already procured resources to participate may be overstated. While over time the market for the Self-direct Program could grow to a large size, there are several factors that indicate that setting such a large program size would be premature. First responses to the Agency’s RFI’s indicated a potential interest for the upcoming program year that would represent 0.83 million RECs. Second, the Agency’s analysis of market potential estimated a market size in the 1.25 to 1.37 million REC range for the next three years. Additionally, a portion of the 3.76 million RECs previously procured by corporate customers (based on the Agency’s research) could be eligible for the Self-direct Program.

For these reasons, the Agency believes that setting a program size of 3 million RECs for the 2023-2024 program year will accommodate applications likely to be received this year (as there may be entities that did not respond to the RFIs). If an entity is not selected to participate in the upcoming program year because of any program size limitations, the Agency will be accepting applications on an annual basis and will take into consideration applications not selected for establishing the program size for subsequent program years. Given the long development timelines for large renewable energy projects, this will accommodate a realistic growth trajectory for the self-direct Program.

Bill Credit Rate

For setting the Self-direct Program bill credit rate for the 2023-2024 program year, the Agency plans to issue the proposed rate for stakeholder feedback in mid-February. After



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taking the feedback on the proposed rate, the Agency will then submit a compliance filing with the Illinois Commerce Commission in March, with approval of that rate by the Commission expected in May.