



June 27, 2017

**VIA ELECTRONIC MAIL**

Illinois Power Agency  
Anthony Star, Director  
160 North LaSalle Street  
Suite C-504  
Chicago, IL 60601  
[Anthony.star@illinois.gov](mailto:Anthony.star@illinois.gov)

RE: Illinois Long Term Renewable Resources Procurement Plan -- Request for Comments

Dear Director Star:

Wind on the Wires' appreciates the opportunity to provide comments to the Illinois Power Agency in response to its posted questions regarding Illinois' Long-Term Renewable Resources Procurement Plan (LTRRPP). *See* PA 99-0906, 20 ILCS 3855/ 1-75(c)(1)(I).

Wind on the Wires is a not-for-profit corporation providing outreach, education and advocacy to increase renewable energy resource's access to the electric transmission system and wholesale electric market throughout the Midwest. Our members include wind and solar developers, energy storage owners/operators, environmental organizations, tribal representatives, clean energy advocates, and businesses providing goods and services to the wind industry across the country. Members of Wind on the Wires operate wind and solar plants in Illinois and as a result of P.A. 99-0906 intend to add new facilities to meet Illinois' demand for renewable energy resources. Wind on the Wires wind and solar developers typically build larger-size projects that would typically interconnect to the bulk electric system.

## WOW COMMENTS ON ILLINOIS' LONG TERM RENEWABLE RESOURCE PROCUREMENT PLAN

Wind on the Wires will only be addressing three of the questions posted by the IPA in its June 6 *Request for Comments*. The IPA questions to which Wind on the Wires will respond are provided below, followed by Wind on the Wires' comment.

### A. GEOGRAPHIC ELIGIBILITY OF RENEWABLE ENERGY RESOURCES

1. What level of documentation and analysis should be required from an adjacent state project as part of a request that the Agency consider determining that the project is eligible to provide RECs for the Illinois RPS?

#### **WIND ON THE WIRES' COMMENT:**

The geographic eligibility criteria that is of the most interest to Wind on the Wires' members is the methodology used to demonstrate that generating units providing RECs for compliance with Illinois' upgraded RPS are not recovering their costs through rates regulated by Illinois or another state after January 1, 2017. See 20 ILCS 3855/1-75(c)(1)(J). Wind on the Wires' recommends two potential methodologies. First, the bidder could submit a certification from an executive of the bidder stating that the facility is not recovering any of its costs through rates regulated by a state. Second, the bidder may submit a verified certificate to the IPA stating that the facility is not part of rate base as verified through the methodology proposed by Carbon Solutions Group (CSG) in ICC docket no. 17-0267<sup>1</sup>, rulemaking for Part 455 -- Renewable Portfolio Standard and Clean Coal Standard for Alternative Retail Electric Suppliers and Utilities Operating Outside their Service Areas. A final

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<sup>1</sup> *Verified Initial Comments of Carbon Solutions Group to the Proposed 83 Ill. Admin. Code 455 First Notice Rule*, at 6-8 (June 21, 2017) available at: <https://www.icc.illinois.gov/docket/files.aspx?no=17-0267&docId=254224>

order should be issued in ICC docket no. 17-0267 by October 2017, well before the ICC is to issue an order approving the LTRRPP. If the ICC adopts CSG's proposal in docket no. 17-0267 and in this docket, at a minimum it brings a sense of uniformity to the entire REC process.

2. What would be an appropriate methodology for the Agency to use to determine that a project located in a state adjacent to Illinois meets the public interest criteria enumerated in Section 1-75(c)(1)(I)? For example, should it be a weighted scoring system based upon each of the criteria outlined in the law contributing towards meeting a minimum aggregate score, or does a threshold level of compliance with each criterion have to be fully demonstrated?

**WIND ON THE WIRES' COMMENT:**

Wind on the Wires' recommends that any renewable energy facility from an adjacent state that provides a benefit to Illinois should be allowed to submit a bid in response to the RFP, and the public interest/benefit test should be used as the tie-breaker between projects whose bids are equal in price. The project that provides greater benefits to Illinois, as determined through the public interest/benefit test, would be given a higher priority than another project with the same price bid.

There are a number of methods to estimate a renewable energy facility's impact on SO<sub>2</sub>, NO<sub>x</sub>, particulate matter and carbon emissions. Wind on the Wires is still in the process of reviewing these methodologies and will provide more detailed suggestions in subsequent comments. Some of the methodologies are as follows:

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- Assume the renewable energy facility displaces electricity generated by conventional fuel plants in the same state or in the same eGRID region (regions are defined by the U.S. EPA). Multiply the forecasted annual electricity to be generate by the renewable energy facility by the average emission rate of conventional fuel plants in the same state or eGRID region as the facility to estimate the amount of emission reductions from the facility.
- Assume the renewable energy facility displaces electricity generated from the nearest conventional fuel plants. As an example, the IPA could define the “nearest conventional fuel plants” using a number of nearest conventional fuel plants or a radial area around the renewable energy facility. Other similar methodologies could be adopted. Multiply the forecasted annual electricity to be generated by the renewable energy facility by the average emission rate of the “nearest conventional fuel plants” to determine the amount of emission reductions from the facility.
- Use AVERT to evaluate emissions displaced by a renewable energy facility. The bidder would need to submit information to the IPA to run the model or the bidder would run the program and submit the results to the IPA. AVERT is an open source tool, available via the internet from the US EPA and is available at no cost. The developer would need to input information into the AVERT spreadsheet such as the forecasted hourly load profile for the renewable energy facility or its generating capacity.

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AVERT will use the input data and identify which conventional fuel plants would be offset by the renewable energy facility and calculate the amount of emission reductions from the facility and can present data at the county level.

Each of the aforementioned methodologies have pros/cons, such as the ability to compare projects that are within the same state, region or county, the volume of data needed to perform the analysis, the ability for the IPA to independently verify an analysis. Wind on the Wires will be further investigating these alternatives and will provide further refinements in subsequent comments.

Since there is a high likelihood that some form of carbon regulation will occur within the next 10 to 15 years, the IPA should include carbon emissions as a criteria, along with SO<sub>2</sub>, NO<sub>x</sub>, and particulate matter.

Wind on the Wires is still investigating methodologies to measure reliability and resiliency benefits a renewable energy facility provides Illinois' transmission or distribution systems, or the state's generation portfolio, and will provide feedback in subsequent comments.

### **B. MEETING PERCENTAGE BASED RPS TARGETS**

1. To incent the development of new resources outside the Initial Forward Procurement requirements and the Adjustable Block Program, how should the Agency consider balancing short-term REC procurements for meeting annual RPS percentage goals with procurements of multi-year commitments for RECs? In responding to this question, please consider that the eligibility requirements under the revised RPS may reduce the availability of eligible RECs from existing projects, potentially necessitating the development of new generation.

**WIND ON THE WIRES' COMMENT:**

One of the largest benefits the upgraded RPS will provide Illinois is the health, safety and welfare benefits from new renewable energy resources placed into service after June 1, 2017. To foster the development of such new renewable energy resources the IPA needs to prioritize long-term REC contracts. Such contracts tend to provide revenue stability that foster development of new renewable energy resources. These new resources will provide additional health, safety and welfare benefits beyond what is provided from existing renewable energy resources. However, there is likely to be insufficient funds to meet the 25% RPS target only with long term REC products. If the RPS budget is going to experience a shortfall of funds, the IPA should then consider the pros/cons of procuring shorter term products versus a subset of longer term products.

The updated RPS prescribes a number of REC products<sup>2</sup> to be procured without a commensurate update or increase in the RPS budget that was set back in 2007, when the Illinois General Assembly initially approved the RPS. See P.A. 95-0481. It is difficult, at this time, to forecast through 2030 the budgetary impacts of the new mandated procurements and REC products needed to meet the percentage based RPS targets. Wind on the Wires recommends that the IPA proceed with the initial forward procurement and procurement of other REC products specifically defined within the updated RPS, and delay procuring RECs

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<sup>2</sup> The initial forward procurements (PA 99-0906, 20 ILCS 3855/1-75(c)(1)(G)); and the RECs from new wind and new photovoltaic projects (PA 99-0906, 20 ILCS 3855/1-75(c)(1)(C) and (K)).

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needed to meet the RPS percentage targets until the next LTRRPP is developed in 2020. At that time, the IPA and stakeholders will have a better understanding of how much money will be available in the budget to forecast the ability to conduct longer term REC procurements between 2022 and 2030 and what portfolio of products would best fulfill the RPS and meet the needs of Illinois.

Wind on the Wires requests the Illinois Power Agency consider and adopt the recommendations provided herein.

Respectfully submitted,

/s/

Sean R. Brady  
Regional Policy Manager - East

Wind on the Wires  
P.O. Box 4072  
Wheaton, IL 60189-4072  
Telephone: 312-867-0609  
Email: [sbrady@windonthewires.org](mailto:sbrady@windonthewires.org)