



Large Customer Self-Direct Renewable Portfolio Standard Compliance Program Proposed 2024-2025 Bill Credit Rate

January 31, 2024

The Illinois Power Agency (“IPA” or “Agency”) is releasing for feedback the proposed bill credit rates for the Large Customer Self-direct Renewable Portfolio Standard Compliance Program (“Self-direct Program”) for the upcoming 2024-2025 program year. The proposed rates are based upon the methodology approved in the Agency’s 2022 Long-Term Renewable Resources Procurement Plan, (“2022 Long-Term Plan”) and proposed in the 2024 Long-Term Renewable Resources Procurement Plan (“2024 Long-Term Plan”).

The Agency’s 2024 Long-Term Plan has been filed for approval by the Illinois Commerce Commission (“Commission”) in [Docket No. 23-0714](#). While the IPA does not expect a Commission order approving the 2024 Long-Term Plan (and therefore, the self-direct bill credit methodology) until February 20, 2024, in the [filed 2024 Long-Term Plan](#), the Agency stated it would publish the proposed bill credit rates for the 2024-25 delivery year in January 2024 based on the methodology adopted in the 2022 Long-Term Plan (see page 146). The filed 2024 Long-Term Plan also explains that if the Commission orders a modification to the methodology for the calculation of the bill credit rate, the Agency will publish an update as soon as practicable thereafter.

The Agency seeks feedback on the proposed bill credit rates in accordance with the development process outlined in the 2024 Long-Term Plan. Responses are due by Friday, February 16, 2024, and should be submitted to: IPA.Contactus@Illinois.gov with the subject line: “[Responder’s Name] – Stakeholder Feedback on Self-direct Program Bill Credit Rate.”

Responses will be published on the [IPA’s website](#). Should a commenter seek to designate any portion of its response as confidential and proprietary, that commenter should provide both public and redacted versions of its comments. Independent of that designation, if the Agency determines that a response contains confidential information that should not be disclosed, the IPA reserves the right to provide its own redactions.

Feedback on these proposed rates should be limited to the information provided herein. This is not the forum to contest the methodology for calculation of the 2024-2025 delivery year bill credit rate. Those seeking to comment on the methodology utilized to calculate the bill credit rate should do so in the Commission proceeding to approve the 2024 Long-Term Plan.

For more information regarding the methodology used to calculate the bill credit rates, please see Section 6.5 of the [2022 Long-Term Plan](#), the [2023-2024 Self-direct Bill Credit Analysis](#), and the [2023-2024 Bill Credit Compliance Filing](#).

SELF-DIRECT CREDIT CALCULATION FOR 2024-2025 DELIVERY YEAR

The following costs are included in the Self-direct Program credit calculation:

2010 Long-Term Power Purchase Agreements (“LTPPA”)

Bundled REC + energy contracts entered into in 2010 to facilitate the development of new utility-scale renewable energy generation (primarily large wind farms); only the REC portion of the expense (the imputed REC price) is calculated as a drawdown from the RPS budget, with the energy price embedded into the rate paid by default supply customers.

Initial Forward Procurements (utility-scale wind, utility-scale solar)

Authorized by then-Section 1-75(c)(1)(G)(i)-(ii) of the IPA Act, these procurements were intended to support the development of new utility-scale wind and solar projects prior to the Commission’s authorization of the IPA’s Long-Term Plan through 15-year REC delivery contracts paid upon REC deliveries being actually made and invoiced monthly.

Other Forward Procurements (utility-scale wind, utility-scale solar, brownfield site photovoltaics)

Authorized primarily by the ICC’s Order approving the IPA’s Original Long-Term Plan in Docket No. 17-0838, these procurements were intended to support the development of new utility-scale wind and utility-scale solar projects, and new brownfield site photovoltaic projects, to meet future years’ new project REC delivery targets under Section 1-75(c)(1)(C) of the IPA Act. As with the initial forward procurements, these procurements feature 15-year REC delivery contracts with payments made upon delivery.

While the IPA has conducted four utility-scale Indexed REC procurements across 2022 and 2023, it does not anticipate costs from the contracts entered through the Indexed REC procurements to impact the RPS budget in the 2023-24 or 2024-2025, as the Agency does not expect any selected projects to energize during that time.



Preliminary Bill Credit Calculations

Based on the analysis provided above, the Agency’s preliminary calculation of the 2024-2025 program year bill credit for each utility is as follows:

Ameren Illinois Company

	2022-2023 Actual Costs	2023-2024 Actual Costs (June – Jan)	2023-2024 Anticipated Costs (Feb – May)	2023-2024 Total Anticipated Costs	2024-2025 Anticipated Costs	Total Costs
2010 LTPPAs	\$4,842,000	\$2,254,086		\$3,401,000	\$3,259,000	\$11,502,000
2017-2019 Forward Procurements	\$4,719,282	\$3,052,760	\$2,180,543	\$5,233,303	\$7,447,936	\$17,400,521
(A): Total cost	\$9,561,282	\$5,306,847		\$8,634,303	\$10,706,936	\$28,902,521
(B): Annual RPS Collections	\$160,483,342.72			\$156,867,424.74	\$155,398,917.17	\$472,749,685
(C): Cost (A) /Collections (B)						6.11%
(D): RPS Rate						\$4.5755/MWH
Bill Credit: (C)*(D)						\$0.279733 /MWH

Commonwealth Edison Company

	2022-2023 Actual Costs	2023-2024 Actual Costs (June – Jan)	2023-2024 Anticipated Costs (Feb – May)	2023-2024 Total Anticipated Costs	2024-2025 Anticipated Costs	Total Costs
2010 LTPPAs	\$ 17,220,345			\$ 14,320,007	\$ 14,162,542	\$ 45,702,894
2017-2019 Forward Procurements	\$ 11,463,438	\$ 10,671,211	\$ 7,622,294	\$ 18,293,504	\$ 15,893,239	\$ 45,650,182
(A): Total cost	\$ 28,683,783	\$ 10,671,211		\$ 32,613,512	\$ 30,055,781	\$ 91,353,075
(B): Annual RPS Collections	\$425,587,002			\$418,637,876	\$416,841,691	\$1,261,066,569
(C): Cost (A) /Collections (B)						7.24%
(D): RPS Rate						\$5.0248/MWH
Bill Credit: (C)*(D)						\$0.364002 /MWH

In developing this analysis, the Agency relied on data from its previous procurement events, the RPS budget contained in the filed 2024 Long-Term Plan, and actual costs provided by Ameren Illinois Company and Commonwealth Edison Company. Prices and quantities related to individual projects is confidential under Section 16-111.5(h) of the Public Utilities Act, thus the information contained herein is provided in aggregate. For the Forward Procurements on the tables above, the 2023-2024 delivery year costs for February through May have been extrapolated from the June through January actual costs. For the 2024-2025 delivery year, costs were based on the contracted REC volumes multiplied by the contract prices, accounting for the attrition of REC from projects selected in the procurement events

that have not, and will not, be energized. 2010 LTPPA anticipated costs were based upon contracted volumes and the applicable imputed REC price.

For context, the rates for the 2023-2024 program year were \$0.285448/MWH for Ameren Illinois and \$0.364475/MWH for ComEd. Changes in the bill crediting rates resulted from changes in year to year RPS collections (the 2023-2024 program year calculations included collections from the 2021-2022 delivery year which was partially under a lower RPS rate cap), decreasing LTPPA costs (these contracts were structured to include a forward price curve that results in the imputed REC price declining each year), and increasing forward procurement costs (as projects from the 2017-2019 procurement cycle were completed and began generation of RECs).