

COMMENTS OF EXELON GENERATION COMPANY, LLC
ON THE ILLINOIS POWER AGENCY’S DRAFT SUPPLEMENTAL
PHOTOVOLTAIC PROCUREMENT PLAN

Exelon Generation Company, LLC, pursuant to Section 1-56(i) of the Illinois Power Agency Act, Public Act 98-0672, 20 ILCS 3855/1.56(i) (the “Act”), submits these comments to the Illinois Power Agency (“IPA”) draft supplemental photovoltaic procurement plan (“Draft Plan”). The Act calls for the IPA to spend up to \$30 million from the Renewable Energy Resources Fund on the procurement of renewable energy credits from solar photovoltaics (“Solar Procurement”).

I. Background

Exelon Generation Company, LLC (“Exelon” or “ExGen”) owns approximately 35,000 megawatts (“MW”) of generation, including nuclear, fossil, hydroelectric, solar, landfill gas, and wind generation assets. It is the nation’s largest nuclear operator with 17 reactors located in Illinois, Pennsylvania and New Jersey and has a growing renewable energy business. ExGen markets wholesale energy and capacity products to municipal, cooperative, and investor-owned utilities, retail suppliers, retail energy aggregators, merchant participants, power marketers, and major commodity trading houses. Exelon Generation operates the nation’s largest urban solar power plant, Exelon City Solar, a 10 MW solar installation located on a 41-acre brownfield in Chicago.

ExGen, individually or through its subsidiaries, has participated in the IPA competitive procurement processes under which contracts for the electricity needs of Ameren and ComEd have been awarded since the end of the transition period at the end of 2006. ExGen has been an active participant in the legislative process that led to the

adoption of legislation authorizing this supplemental procurement and the workshop process related to the Draft Plan.

II. RECOMMENDATIONS

Exelon recommends that the IPA’s Draft Plan be modified in order to allow for existing photovoltaic resources to participate in the Solar Procurement. Section 1-56(i) of the Act calls on the IPA to “develop a onetime supplemental procurement plan limited to the procurement of renewable energy credits, if available, from new or *existing* photovoltaics, including, but not limited to, distributed photovoltaic generation” through “using up to \$30,000,000” from the Renewable Energy Resources Fund. (emphasis added). Section 1-56(i) of the Act also sets forth the governing standard for the Solar Procurement, and requires that the IPA develop a plan that “shall ensure adequate, reliable, affordable, efficient, and environmentally sustainable renewable energy resources (including credits) *at the lowest total cost over time*, taking into account any benefits of price stability.” (emphasis added). Despite the clear directive to consider both existing resources and total cost, the Draft Plan is limited only to “new” systems,¹ discriminating against existing systems and shunning the pioneers that have committed themselves to Illinois’ clean energy future.

While it seems obvious that renewable energy credits from an existing system could be procured at a lower cost than the costs required to subsidize the building and development of new facilities, the Draft Plan, with no supporting data or analysis, merely

¹ A system will be considered “new” if it has been energized on or after the date at which bids are due in the first procurement event. For subsequent events, a system will be considered “new” if it was energized on or after the bid date of the preceding procurement. Draft Plan pgs. 12-13

states that “the development of new systems may contribute significantly to ensuring the “lowest total cost overtime” by developing generating resources whose output may assist with future years’ RPS compliance.”² Illinois rate payers will benefit from allowing new and existing resources to compete on level ground in the Solar Procurement as the very nature of the procurement process itself should determine which resource will provide is the lowest cost.

Exelon also recommends that the procurement not be limited to facilities 2KW or below. There is no provision in the Act that limits the size of the entire Solar Procurement. Section 1-56(i) of the Act provides that the procurement will include, but not be limited to, distributed generation (“DG”). Therefore the Act provides that a *portion* of the Solar Procurement, not the entire procurement, be from DG resources. However, the Draft Plan contains a system size limitation of 2MW consistent with the Act’s definition of DG³, resulting in the exclusion of non-DG solar facilities above 2MW, and essentially limiting the *entire* Solar Procurement to DG-sized facilities, contrary to the legislative intent reflected in Section 1-56(i) of the Act.

These arbitrary limitations on existing systems above 2MW prejudice vital solar facilities in Illinois such as Exelon City Solar, a 10 MW solar installation located on a 41-

² Draft Plan pg. 8

³A generation source is considered a “distributed renewable energy generation device” under the IPA Act if it is:

- Powered by wind, solar thermal energy, photovoltaic cells and panels, biodiesel, crops and untreated and unadulterated organic waste biomass, tree waste, and hydropower that does not involve new construction or significant expansion of hydropower dams;
- Interconnected at the distribution system level of either an electric utility, alternative retail electric supplier, municipal utility, or a rural electric cooperative;³⁷
- Located on the customer side of the customer’s electric meter and is primarily used to offset that customer’s electricity load; and is
- **Limited in nameplate capacity to no more than 2,000 kW.** See 20 ILCS 3855/1-10

acre brownfield in Chicago's West Pullman neighborhood. Exelon City Solar is the nation's largest urban solar power plant, and has benefitted the city of Chicago and the West Pullman community in many ways, including increased economic activity, new jobs, and the revitalization of unused parcels of land. During its construction, the \$60 million Exelon City Solar project created 200 jobs and sourced much of its labor and building materials from local companies on Chicago's South Side. The plant provides permanent work in the areas of operations, maintenance and security. Exelon is leasing the long-vacant brownfield property from the City of Chicago, generating revenues from rent and real estate taxes. The clean energy generated by Exelon City Solar displaces more than 30 million pounds of greenhouse gas emissions per year – the equivalent of taking more than 2,500 cars off the road. In developing the former industrial site, which had been vacant for over 30 years, Exelon removed pollutants and safety hazards and beautified the property with an environmentally friendly design and sustainable landscaping. The IPA Final Plan should recognize the dynamic contribution that existing facilities like Exelon City Solar provide to the local and regional economy and the clean energy progress that Illinois has made and will continue to make. At very least existing resources such as Exelon City Solar should be able to participate in the Solar Procurement for a portion of its system.

III. CONCLUSION

ExGen recommends that the IPA's Draft Plan be modified in order to allow for existing photovoltaic resources to participate in the Solar Procurement. Exelon also recommends that the procurement not be limited to facilities 2MW or below, and in the

alternative that existing facilities over 2MW be permitted to participate in the procurement for a portion of the facility.

Respectfully Submitted,

Exelon Generation Company, LLC

Lael E. Campbell
Director, State Government Affairs
Exelon Corporation
101 Constitution Ave., NW
Washington, DC 20001
202-637-0350
lael.campbell@exeloncorp.com

Dated: October 14, 2014