



Update on Stakeholder Feedback Processes and Revising the Long-Term Renewable Resources Procurement Plan

May 12, 2021

Background

While the Illinois General Assembly considers legislation that may significantly update the Illinois Renewable Portfolio Standard, the Agency would like to provide an update on its current plans for revising the Long-Term Renewable Resources Procurement Plan (“Long-Term Plan”) and various requests for stakeholder feedback.

Under current law, a draft of the next update of the Long-Term Plan (to cover activities in 2022 and 2023) will be released for public comment on August 16, 2021 and stakeholders will have 45 days to comment on that draft Plan. The Agency will then review comments received and in late October file a draft Plan for approval by the Illinois Commerce Commission, with that approval expected in February 2022. This timeline may change depending on any legislation enacted by the General Assembly later this month. For example, the deadline for the Agency to release a draft Revised Plan for public comment may be extended to allow the Agency to modify the Plan to reflect applicable changes to the law.

Workshops

The Agency plans to hold virtual workshops in June to discuss elements of the Long-Term Plan and how it may be revised to reflect lessons learned, current market conditions, and any legislative changes that impact the RPS generally as well as specific procurements and programs. As has been the Agency’s past practice, after the workshops the Agency will issue a written request for comments related to the topics discussed at the workshops. Through these workshops and written comments, the Agency will be able to consider stakeholder input in developing the draft Revised Plan (and stakeholders will have subsequent opportunities to comment on that draft Revised Plan and to participate in the ICC proceeding to approve the Revised Plan, as outlined above).

The Agency plans to hold a series of half-day workshop sessions on June 10, 11, 17, and 18.

Topics expected to be discussed will include:

- Overall structure of the RPS and presentation of information on RPS achievements, goals, targets, and budgets
- Competitive procurements for utility-scale wind, solar, and brownfield site solar, including timing of energization deadlines, REC price structure, and adjacent state requirements
- Updates to Adjustable Block Program requirements
- Updates to Illinois Solar for All requirements
- REC Pricing (see additional discussion below)

- Increasing the diversity of community solar project types (see additional discussion below)
- Geographic diversity of projects including how renewable energy projects reach a wide range of communities in the state, and how renewable energy projects can contribute to resource adequacy, particularly in MISO Zone 4.
- How IPA-administered procurements and programs can help increase equity and diversity in the renewable energy industry

The scope of these workshop topics may be updated as needed to address any legislative changes.

Please note that if there is no legislation enacted to update the funding structure for the RPS, the Agency is currently projecting that funding for REC payments to be made pursuant to additional procurements and ABP program blocks will be constrained in the near term. This would significantly impact what the Agency will be able to propose in the draft Revised Plan.

Additional information on workshops, including agendas for each session, will be released in the coming weeks.

Request for feedback on distributed generation system design

On April 22, 2021, the Adjustable Block Program Administrator released a [Request for Stakeholder Feedback](#) on system design criteria for distributed generation projects with a response deadline of May 14, 2021. The deadline for this request for feedback has been extended to May 21, 2021. The Agency expects that system design criteria will also be discussed at the June workshop on Adjustable Block Program requirements, and there will be additional opportunities for stakeholder feedback through the subsequent comment process.

Any changes to system design criteria requirements will likely only be made through revisions to the Long-Term Plan, although the Agency could consider smaller changes outside of its Plan development process (such as updating the content of disclosure forms).

Update on the previously issued requests for feedback on REC pricing and Community solar project diversity

The Agency would like to thank stakeholders that provided comments on the previously released request for comments on [REC pricing](#) and [community solar project diversity](#). Twenty stakeholders submitted comments across these two requests (and the subsequent [updated request](#) for comments) and provided thought-provoking suggestions. As discussed above, various legislative proposals that would impact the Adjustable Block Program are under consideration by the Illinois General Assembly. Therefore, the Agency has determined that it would be prudent to await the end of the current legislative session prior to issuing strawman proposals on either topic and instead plans to continue discussion of these topics at the workshops and subsequent requests for written stakeholder feedback described above.

The Agency has reviewed all comments received through this feedback process and is contemplating various concepts brought forth by stakeholders. Several of the concepts that the Agency continues to

consider, and which the Agency expects to be discussed more extensively through workshops, are outlined below.

REC Pricing

- What is the applicability of the CREST model to determining REC prices?
- How is the value of net metering factored into the REC pricing?
- How is the small subscriber adder calculated and to what subscribers is it applied?
- How does the REC pricing model adjust to surge in demand (or lack of demand)? Or, said another way, how can the REC pricing model be more agile to respond to the dynamics of the market?

Increasing Community Solar Project Diversity

- How should the project application process and requirements be adjusted in consideration of the longer development timelines required by community solar projects that would increase project type diversity?
- How can the Program encourage the development of small/diverse projects without creating opportunities for gaming and/or false incentives (e.g., stringing together smaller projects)?
- What is the best method to measure density for the purpose of delineating a dense vs. not dense area for the purposes of community solar project development?
- How should subscriber proximity to a project be factored into this process?
- What price-based adders could be used to encourage small/diverse projects?