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Director Star:

Natural Resources Defense Council (NRDC) appreciates the Illinois Power Agency's (Agency) initiative in establishing workshops on the revised Renewable Portfolio Standard pursuant to the Future Energy Jobs Act and inviting feedback on the "initial forward procurements" process. NRDC would like to provide feedback regarding several of the Agency's questions on REC delivery and flexibility.

1. *Should the ability to bank RECs be unlimited or should there be parameters (e.g., quantity, vintage)?*

NRDC strongly supports banking of RECs from new, additional renewables projects that will participate in the initial forward procurement. Banking generally encourages greater and earlier development of renewables, helps ensure that there will be sufficient RECs to satisfy the annual minimums in the statute, and allows developers to build more projects that qualify for richer PTC and ITC incentives before stepping down at the end of 2017 and 2019, respectively. This early renewables development leads to earlier emissions reductions and provides a low-cost, reliable source of electricity for Illinois households and businesses. For these reasons, NRDC does not believe there should be restrictions on banking as long as the minimum annual REC procurements for utility-scale wind and solar PV resources are met from qualified projects.

2. *Taking into account statutory project qualification requirements, should the ability to provide eligible replacement RECs be otherwise unlimited or should there be additional parameters (e.g., quantity, vintage, narrower eligibility of RECs)?*

NRDC is not opposed to having developers use replacement RECs from other new (after June 1, 2017), additional, and qualified projects in a given year to satisfy their delivery obligations. If developers are already able to bank RECs that can be used to satisfy RPS targets, this should mitigate the need for a developer to use replacement RECs in the first place. As a separate matter, the Agency should ensure that developers are prohibited from borrowing RECs from future delivery years. This may jeopardize the integrity of the annual delivery targets and may

prevent opportunities for other projects that can generate additional RECs in a given year from selling those RECs to utilities for RPS compliance.

NRDC looks forward to working with the Agency and other stakeholders to ensure the successful implementation of the initial forward procurements and the Renewable Portfolio Standard at large.

Respectfully submitted,

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