



2021 Long-Term Renewable Resources Procurement Plan Update

REQUEST FOR COMMENTS #1: LEGISLATIVE UPDATES, RPS OVERVIEW, EQUITY, DIVERSITY & LABOR STANDARDS, AND UTILITY-SCALE PROCUREMENTS

July 6, 2021

The Illinois Power Agency (“IPA” or “Agency”) is issuing this Request for Comments #1 to solicit stakeholder feedback as the Agency prepares to release the draft of the second Revised Long-Term Renewable Resources Procurement Plan (“Long-Term Plan”).¹ This Request for Comments covers topics discussed at the June 25, 2021 virtual stakeholder workshop, which included an overview of pending legislation, the Long-Term Plan update process, updates on the RPS budget, as well as discussions related to strengthening equity, diversity, and labor standards in the renewable energy industry and utility-scale and brownfield site procurements.

A recording of the workshop and the presentation slides can be accessed at:
<https://www2.illinois.gov/sites/ipa/Pages/RenewableResourcesWorkshops.aspx>.

Additional virtual workshops will be held on July 7, 2021 (Adjustable Block Program and Illinois Solar for All), and July 13, 2021 (Community Solar and REC Pricing). Agendas and registration information can be found at the link above. Additional requests for comments will be issued after those workshops.

Based on the first workshop and initial feedback received, the Agency is specifically interested in gathering information on the questions listed below, but stakeholders are welcome to provide comments on any topic discussed at the workshop. Stakeholders should feel free to provide answers only on those questions specifically of interest to them. Additionally, stakeholders are encouraged to provide comments on items not expressly outlined here, but still are relevant to the topics discussed in this workshop.

After the Agency has released a draft Revised Long-Term Plan, stakeholders will have an opportunity to provide comments on that draft Revised Long-Term Plan during a 45-day comment period. The Agency will then revise the draft Revised Long-Term Plan to account for those comments and file it to initiate a docketed proceeding for approval of the Plan by the Illinois Commerce Commission. The proceeding will also provide an opportunity for stakeholder input through formal intervention and filings.

¹ The Agency is scheduled to release the draft Revised Long-Term Plan on August 16, 2021. This date will be extended if energy-related legislation establishing new provisions for the Long-Term Plan is enacted and adjusts the corresponding development timeline.

How to Respond

Please submit responses to this Request for Comments #1 by July 19, 2021 by e-mail to IPA.contactus@illinois.gov with the subject line “Request for Comments #1 – [Respondent Name]”. Responses will be posted on the Illinois Power Agency website, with respondent names included.

The IPA understands that parties may be reluctant to disclose commercially sensitive information, particularly financial information about projects or business models, as part of a public comment process. To accommodate those disclosures, parties may designate portions of their responses as confidential; if so doing, please provide both a public and redacted version, along with a request for confidential treatment. You may only designate portions of your comments as confidential, not the entire document.

Questions for Stakeholder Feedback

A. Strengthening equity, diversity, and labor standards in the renewable energy industry

1. The Agency has allowed for smaller initial blocks of project submittals for Minority/Women-owned Business Enterprise (MWBE) Approved Vendors in the Adjustable Block Program, and added points in the Illinois Solar for All Program Project Selection Protocol (to date only used for low-income community solar projects and projects for non-profits and public facilities) for MWBE Approved Vendors, or Approved Vendors who make binding commitments to utilize MWBE sub-contractors. While pending legislative proposals include new provisions including prevailing wage and project labor agreement requirements for many project categories, dedicated Adjustable Block Program blocks for projects submitted by equity eligible contractors, and increasing annual commitments for work to be conducted by equity eligible persons and contractors, under existing statutory authority, **are there additional approaches that the Agency could include for project eligibility that could help remove barriers and/or encourage participation by MWBE firms? If so, what approaches, and under what authority could those approaches be implemented?** [See Slide 34]
2. The [Revised Long-Term Plan](#) includes a requirement that Approved Vendors report on an annual basis information on the diversity of their workforce. [See Slides 35/6]
 - a. **What additional reporting requirements should the Agency consider?** For example, reporting on the diversity of the ownership of Approved Vendors and their Designees (e.g., installers or marketing firms), or reporting on workforce diversity on a project level rather than an annual portfolio level.
 - b. **Should the Agency expand reporting requirements to utility-scale projects that participate in future procurement events?**

3. Section 1-75(c)(7) of the IPA Act requires that RECs from new solar projects “must be procured from devices installed by a qualified person in compliance with the requirements of Section 16-128A of the Public Utilities Act and any rules or regulations adopted thereunder.” We have nevertheless seen compliants filed with the Illinois Commerce Commission regarding the workforce used to support the development of certain new solar projects. **Under current law, what additional approaches can and should the Agency consider to ensure that workers on projects utilizing state-administered financial support leverage qualified personnel being paid fair and competitive wages?**

B. Utility Scale Procurements

1. For procurements for RECs from new utility-scale wind, utility-scale solar, or brownfield site photovoltaic projects intended to meet future REC targets, **what timing considerations should be made regarding whether and when to hold procurements over the course of calendar years 2022 and 2023?** For example, do issues related to the PJM/MISO interconnection processes, identifying energy offtakers, or potential changes to Federal energy policy suggest that earlier procurement event dates (to take advantage of an expiring opportunity), or later procurement event dates (to allow for additional early-phase project development activities to reach appropriate project maturity levels) would be appropriate? In managing these considerations, how should the IPA parse issues related to when to conduct a procurement event versus determining by when first REC deliveries would be accepted or required? [See Slide 39]
2. **Should the project application requirements for new utility-scale renewable energy projects described in Chapter 5 of the Long-Term Plan be revised?**² Does the Agency’s current model of project maturity requirements such as site control and interconnection status, pre- and post-bid collateral requirements, and REC delivery start dates and extension options achieve a sufficient likelihood of project development completion for selected projects?³ [See Slide 40]
3. **While utility-scale procurements are for RECs only and not energy or capacity, are there considerations that could be added into the procurement process to value how new utility-scale projects could contribute to resource adequacy?** For example, should procurements have quantity targets separated by RTO? Should the assessment of project eligibility in procurements include requirements related how the project will contribute to resource adequacy/maintaining reliability? [Slide 41]

² See also <https://www.ipa-energyrfp.com/utility-scale-wind/final-materials/> for an example of how those requirements were implemented for the Agency’s most recent utility-scale wind procurement.

³ Note that it is the Agency’s understanding that a change from the current fixed REC price (based on a pay as bid approach) paradigm would require a statutory change.



4. Chapter 4 of the Long-Term Plan describes the approach to applying the statutorily mandated public interest criteria found in Section 1-75(c)(1)(I) of the IPA Act to the eligibility of RECs from projects located in states adjacent to Illinois. The approach includes a rubric for scoring those criteria as well as the minimum required score to be eligible. **Should changes be made to this approach, and if so, what changes? And why would those changes better meet the statutory intent?** [See Slides 42/3]