

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Power Agency)	
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Petition for Approval of the IPA’s 2024)	ICC Docket No. 23-_____
Long-Term Renewable Resources Procurement)	
Plan Pursuant to Section 16-111.5(b)(5)(ii))	
of the Public Utilities Act)	

**THE ILLINOIS POWER AGENCY’S VERIFIED PETITION
FOR APPROVAL OF ITS 2024 LONG-TERM RENEWABLE RESOURCES
PROCUREMENT PLAN PURSUANT TO 220 ILCS 5/16-111.5(b)(5)(ii)**

Pursuant to the authority granted by the Illinois Power Agency Act, 20 ILCS 3855/1-5, *et seq.*, and the Illinois Public Utilities Act, 220 ILCS 5/1-101, *et seq.*, the Illinois Power Agency (“IPA” or “Agency”) hereby submits to the Illinois Commerce Commission (“Commission” or “ICC”) for consideration and approval its proposed plan for the procurement of renewable energy credits (“RECs”) for Ameren Illinois Company (“Ameren Illinois”), Commonwealth Edison (“ComEd”), and MidAmerican Energy Company (“MidAmerican”) (collectively referred to as the “Utilities”) under Sections 1-56(b) and 1-75(c) of the Illinois Power Agency Act (20 ILCS 3855) (“IPA Act”) and Section 16-111.5(b)(5) of the Public Utilities Act (220 ILCS 5) (“PUA”).

The IPA’s 2024 Long-Term Renewable Resources Procurement Plan (“2024 Plan,” “Long-Term Plan,” or “Plan”) and its appendices, attached to this Verified Petition, set forth the Agency’s proposals for the procurement of renewable energy credits or “RECs”—tradeable credits that each represent the environmental attributes of one megawatt hour of energy produced from a qualifying renewable energy generating facility—as required by Sections 1-56(b) and 1-75(c) of the IPA Act.

Section 16-111.5(b)(5)(ii)(C) of the PUA requires the Illinois Commerce Commission to enter its Order “confirming or modifying” the Plan within 120 days after this filing.¹ The 2024

¹ 220 ILCS 5/16-111.5(b)(5)(ii)(C).

Long-Term Renewable Resource Procurement Plan will “reasonably and prudently accomplish the requirements of Section 1-56 and subsection (c) of Section 1-75 of the Illinois Power Agency Act,”² and the Agency respectfully requests its approval.

BACKGROUND

The Agency’s 2024 Long-Term Plan builds on the extensive content of its last iteration of the Long-Term Plan, approved by the Commission in Docket No. 22-0231, adjusting elements as needed based on recent changes in law and the practical experience of implementing required procurements and program features. The IPA’s experience in implementation of the Long-Term Plan, coupled with its experience in the administration of the State’s Renewable Portfolio Standard before the Long-Term Plan’s existence under Illinois law, present both a record of successes for the Agency and an opportunity for additional growth and achievement.

Section 1-75(c)(1) of the IPA Act establishes the Illinois Renewable Portfolio Standard (“RPS”), measured in RECs procured through ratepayer-funded REC delivery contracts. The REC procurement goals and targets in Sections 1-75(c)(1)(B) and (C) of the Act include percentage targets and quantitative targets. The percentage targets represent the portion of electricity serving default customers that must come from renewable resources, specifically 40% by 2030 and 50% by 2040. Section 1-75(c)(1)(C) sets a minimum quantity of RECs that the IPA must procure, specifically 45,000,000 RECs delivered annually from new projects by 2030. These procurements are supported by the funding outlined in Section 1-75(c)(1)(E) of the IPA Act, under which annual ratepayer collections under the Illinois RPS are projected to total over \$580 million.

² 220 ILCS 5/16-111.5(b)(5)(ii)(D).

Since the establishment of the Illinois RPS over 15 years ago, the state has seen remarkable growth in the development of renewable energy resources driven by the programs and procurements run by the IPA. The Agency's utility-scale wind and utility-scale solar procurements and solar incentive programs have driven thousands of megawatts of new renewables across the state, in turn spurring new jobs and growing the green economy. The success of Illinois Solar for All, the Agency's income-eligible program, is especially notable. With an unmatched requirement that income-eligible customers save at least 50% of the value of electricity generated from the solar project, Illinois is a leader in ensuring low-income consumers realize a tangible benefit from renewable deployment. The Agency has also achieved tremendous success in the Illinois Shines program, which has brought over 45,000 photovoltaic systems online across the state since its opening in 2019, with thousands more under contract and moving toward energization. The swift deployment of photovoltaics statewide—with projects incentivized under the Program in each of the state's 102 counties—and the rapid growth of the solar industry across Illinois would not have occurred over the last four years but for the administration of these programs as established by the enactment of P.A. 99-0906 and expanded through P.A. 102-0662. In the most recent years, the Agency has increased its focus on equity and inclusion in support of the effort to ensure that the benefits of a growing clean energy economy flow to a broader swath of Illinois residents, particularly those that have been historically excluded from or harmed by the energy sector.

While the Agency has seen great success in some areas of administration of the RPS, other challenges provide the IPA with opportunities for future achievements. For example, bringing enough utility-scale RECs under contract in order to meet the targets of Section 1-75(c)(1)(C)—particularly those from new wind projects—has persistently proven to be difficult. A new category within the Illinois Shines program designed to bring the benefits of solar to public schools has

been slow to develop. In spite of higher REC prices in the public schools category, the Agency continues to see public schools choosing to participate in the general distributed generation categories, rather than in the public school category. And in some ways, the success of the Agency's programs has actually brought its own challenges: the capacity for some program categories within Illinois Shines continues to fill rapidly due to the significant developer interest in the Program, but this in turn creates difficulties when no further project applications can be accepted for that category for the remainder of the year.

The Agency has purposefully taken a flexible and pragmatic approach to its planning activities in the past, and continues to do so in its 2024 Long-Term Plan. This is not only necessitated by the significant legislative changes over the past years, but also allows the Agency to learn from its experiences—both successes and challenges—and modify its strategies and tactics going forward. The 2024 Plan is an opportunity to do just that: reflect upon the procurements and programs to date, built upon achievements, and make adjustments to maximize the Agency's ability to accomplish the State's vision and policy goals.

In addition to modifying strategies from the 2022 Long-Term Plan in an effort to meet challenging goals, the 2024 Long-Term Plan is also designed to meet new requirements enacted since the approval of the 2022 Plan. New labor requirements enacted on June 30, 2023 through P.A. 103-0188 extend the application of the prevailing wage requirements under the Illinois Prevailing Wage Act to certain projects receiving a REC delivery contract through the Illinois Solar for All Program under Section 1-56(b-15) of the IPA Act. As in Illinois Shines, exceptions to the prevailing wage requirements are provided for projects serving residential buildings and projects serving houses of worship up to 100 kW in size. P.A. 103-0380, which will become effective on January 1, 2024, directs the Agency to oversee the procurement of RECs from

modernized or retooled hydropower resources. As with prior Long-Term Plans, Chapter 2 of the Plan provides a more comprehensive explanation of the governing law's structure and requirements, including additional changes resultant from recent legislation.

PROCEDURE

The Agency's efforts in drafting its 2024 Long-Term Plan began with a written comment process conducted in May and June 2023, providing useful stakeholder guidance for draft 2024 Long-Term Plan development.³ As required by Section 1-75(c)(1)(A) of the IPA Act, the IPA's draft 2024 Long-Term Plan was released for public comment on August 15, 2023 and posted to the Agency's website⁴ in accordance with Section 16-111.5(d)(2) of the PUA. As required by Section 16-111.5(b)(5)(ii)(B) of the PUA, a 45-day comment period opened, during which time stakeholders could provide written comments on the draft 2024 Plan and a virtual public hearing⁵ was held for each applicable utility's service area.

Thirty-four sets of comments were received, from the following parties and individuals: Advanced Energy United, Ameren Illinois, Ampion, Bob Stephens, Chicagoland Chamber of Commerce, Clean Grid Alliance, Climate Jobs Illinois, Commonwealth Edison, DG Illinois Solar, Forefront Power, Huntley School District, Illinois IBEW Renewable Energy Fund, Illinois Solar

³ The Request for Stakeholder Feedback published May 26, 2023 is available at <https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20230526-430pm-2024ltp-first-stakeholder-request.pdf>. The Request for Stakeholder Feedback published June 8, 2023 is available at <https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20230608-2024ltp-second-stakeholder-request.pdf>. The comments received for both are available at <https://ipa.illinois.gov/energy-procurement/plans-under-development/stakeholder-feedback-for-long-term-plan-development.html>.

⁴ [https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/procurement-plans/2024/2024-draft-long-term-plan-\(15-Aug-2023\).pdf](https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/procurement-plans/2024/2024-draft-long-term-plan-(15-Aug-2023).pdf).

⁵ <https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/procurement-plans/2024/2024-draft-ltp-cover-letter-081523.pdf>.

for All Working Group,⁶ IL-Solar Inc., Joint Commenters,⁷ Joint EEC Parties,⁸ Joint Solar Parties,⁹ Keystone Power Holdings, Lightstar and American Farmland Trust, NAIOP Chicago, New Leaf Energy, NRG Companies, Prologis, PSG Energy Group, Rajat Krishna, Riley Mullins, Solar Business Coalition,¹⁰ Solar Landscape, SolarShift, Staff of the Illinois Commerce Commission, Summit Ridge Energy, TechNet, Tick Tock Energy, and US Solar.¹¹

The law provides that after the conclusion of the comment period, “the Agency may revise the long-term renewable resources procurement plan based on the comments received.”¹² Within 21 days after the conclusion of that period, the Agency is required to “file the plan with the Commission for review and approval,” creating a filing deadline of October 20, 2023.¹³ The 2024 Long-Term Plan filed herewith for Commission review and approval reflects the revisions made by the Agency in response to, and consideration of, the comments received.

⁶ The Illinois Solar for All Working Group comment signatories are A Just Harvest, Central IL Healthy Community Alliance, Central Road Energy LLC, Citizens Utility Board of Illinois, Community Organizing & Family Issues, Environmental Law and Policy Center, Faith in Place, Illinois Environmental Council, Little Village Environmental Justice Organization, People for Community Recovery, Renewable Energy Evolution, Seven Generations Ahead, Sustain Rockford, Union of Concerned Scientists, Vote Solar, and Kenwood Oakland Community Organization.

⁷ The Joint Commenters are A Just Harvest, Union of Concerned Scientists, Environmental Law and Policy Center, Citizens Utility Board of Illinois, Illinois Environmental Council, Vote Solar, Natural Resources Defense Council, and Blacks in Green.

⁸ The Joint EEC Parties are ADL Solutions LLC; Blacktech Solutions Corp; LiveWire Electrical Systems, Inc.; Millennium Solar Electric; UpSouth Energy, LLC; Windfree Wind and Solar Energy Design Company.

⁹ The Joint Solar Parties are the Solar Energy Industries Association, the Coalition for Community Solar Access, and the Illinois Solar Energy Association.

¹⁰ The Solar Business Coalition signatories are WindSolarUSA, Inc.; AES Solar; Closs Electric Company, Inc.; New Prairie Solar; StraightUp Solar; W. J. Burke Electric; Overturf Electric; Progressive Electric, Inc.; Mid-America Electric, Inc.; Springfield Electric Supply; EFS Energy; Hawk-Attollo, LLC; and B&B Electric, Inc.

¹¹ Comments on the draft 2024 Long-Term Plan are posted on the Illinois Power Agency’s website: <https://ipa.illinois.gov/energy-procurement/plans-under-development/stakeholder-feedback-on-draft-2024-long-term-renewable-resources.html>.

¹² 220 ILCS 5/16-111.5(b)(5)(ii)(B).

¹³ Id.

Objections to the Plan are due within 14 days after filing, and the “the Commission shall determine whether a hearing is necessary” within 21 days after the filing date.¹⁴ The Public Utilities Act provides the Commission with 120 days to review the filed Plan and “enter its order confirming or modifying the initial long-term renewable resources procurement plan or any subsequent revisions.”¹⁵ The law provides that the Commission “shall approve the initial long-term renewable resources procurement plan and any subsequent revisions, including expressly the forecast used in the plan and taking into account that funding will be limited to the amount of revenues actually collected by the utilities, if the Commission determines that the plan will reasonably and prudently accomplish the requirements of Section 1-56 and subsection (c) of Section 1-75 of the Illinois Power Agency Act.”¹⁶

IPA’S PROPOSED CHANGES ON THE DRAFT 2024 PLAN FROM THE COMMISSION-APPROVED 2022 PLAN

In the draft 2024 Long-Term Plan published on August 15, 2023, the Agency sought to address various key challenges faced during the first year and a half of implementing the comprehensive changes enacted under P.A. 102-0662. While some issues only required small clarifications or adjustments to the 2022 Plan language, other items presented thorny policy questions and called for deeper analysis of the gaps or sticking points in the IPA’s current policies. This Verified Petition does not describe every change made in development of the 2024 Long-

¹⁴ 220 ILCS 5/16-111.5(b)(5)(ii)(C).

¹⁵ Id.

¹⁶ 220 ILCS 5/16-111.5(b)(5)(ii)(D). The law also provides that the Commission, as part of its Order, “shall also approve the process for the submission, review, and approval of the proposed contracts to procure renewable energy credits or implement the programs authorized by the Commission” pursuant to the approved Plan, as well as “approve or modify the Agency’s proposal for minimum equity standards pursuant to subsection (c-10) of Section 1-75 of the Illinois Power Agency Act.”

Term Plan, but does introduce the more consequential or difficult challenges that the Agency has tried to resolve, summarized below.

- New procurements for RECs from modernized and retooled hydropower resources alongside utility-scale wind procurements in accordance with P.A. 103-0380.
- New prevailing wage requirements for Illinois Solar for All under Section 1-56(b-15), as enacted through P.A. 103-0188.
- Several proposals designed to reduce barriers to meeting targets in competitive procurements of Indexed RECs, including the Indexed REC contract terms and flexibility, transparency regarding benchmark development, and a process for accommodating downstream negotiations.
- Discussion of the independent expert review of the REC Pricing Model and the accompanying recommendations, as required by the Commission’s Order in Docket No. 22-0231.
- Updated administratively-set REC prices in the Illinois Shines and Illinois Solar for All programs to account for changes to the federal investment tax credit rate, updated system cost data from the National Renewable Energy Laboratory (“NREL”) benchmark study, increases in interest rates, updated community solar interconnection costs, updated capacity factors, and updated AC/DC ratios.
- REC price updates also include corrections to errors in the REC Pricing Model released for public comment on August 5, 2023 based on comments received on that draft model..
- Inclusion of a REC pricing adder for distributed generation projects in the Public Schools category.

- A new community solar REC price adder for projects in the Traditional Community Solar, Equity Eligible Contractor, and Public Schools categories of Illinois Shines for projects sited on rooftops.
- Proposals for addressing the continual oversubscription of Group A capacity within Small and Large DG categories of Illinois Shines, including expanding total program capacity, removing the Group A/B distinction in multiple categories, adjusting the prioritization of categories in allocating uncontracted capacity, and other measures.
- Modifications to the Traditional Community Solar category scoring criteria, including removing the scoring criterion based upon the siting of a project in a Conservation Opportunity Area as designated by the Department of Natural Resources, as required by P.A. 103-0255.
- Amendments to Plan provisions related to co-location of distributed generation and community solar projects in Illinois Shines.
- Adjustments to the contract provisions for Public Schools category projects in prioritized subcategories.
- Refinements to the EEC certification process in order to ensure that the barrier reduction efforts reach the intended beneficiaries of the Equity Accountability System.
- Development of a registration process for businesses that meet the EEC qualification standards but have not yet registered as an Approved Vendor or Designee.
- Strengthening the review of requests for capital advances within the EEC Category of Illinois Shines.

- Enabling the Illinois Solar for All program to utilize potential federal funding through the U.S. Environmental Protection Agency.
- Clarifying the eligibility of master-metered buildings in the Community Solar sub-program of Illinois Solar for All.
- Proposals for supporting stranded and harmed customers in both Illinois Shines and Illinois Solar for All, including a solar restitution program.

Not all of these changes elicited public comment, but for some that did, the sections below detail that input and the Agency's response.

COMMENTS ON THE DRAFT 2024 PLAN

As referenced above, the Agency received 34 sets of comments on the draft 2024 Long-Term Plan. The IPA genuinely appreciates all commenters' efforts in providing feedback and found many submitted comments to be helpful. The Agency sought feedback from stakeholders on particularly complex or difficult matters, and the IPA especially appreciates the feedback it received on those issues.

Given the volume of comments received and the breadth of the Plan itself, countless changes were made in response to comments. In this Petition, the Agency has attempted to highlight key areas in which the IPA modified the 2024 Plan in response to comments. Those key changes are discussed further below, with select additional proposals *not* included in the filed Plan (or select sections of the Plan not otherwise revised) discussed thereafter.¹⁷

¹⁷ Other portions of the Plan as filed feature clarifications, corrections, or other minor changes, including additional detail or explanation where appropriate and updated figures and numbers where available, and this Verified Petition does not attempt to outline all such changes to the Plan. The IPA will post a document comparison of the Plan as filed for ICC approval versus the Draft Plan on its website: https://www2.illinois.gov/sites/ipa/Pages/Renewable_Resources.aspx.

COMMENTS/PROPOSED CHANGES ACCEPTED FROM DRAFT 2024 PLAN

1) Utility-Scale Wind Procurements Now Include Hydropower Eligibility

Recently enacted P.A. 103-0380, which will become effective January 1, 2024, changed the 45% annual allocation for RECs from utility-scale wind projects to distribute the 45% allocation to RECs procured from utility-scale wind projects *and* hydropower projects as defined under revisions to Section 1-10 of the IPA Act. In its draft 2024 Plan, the Agency suggested multiple approaches to the distribution of the 45% allocation of target REC procurement quantities between utility-scale wind projects and hydropower projects and sought stakeholder feedback on the appropriate approach.

While the Agency did not receive any comments from the hydropower industry as to how best to bring RECs from modernized or retooled hydropower projects under contract, other stakeholders provided comments which supported simultaneous competitive REC procurements from utility-scale wind and hydropower projects without a carveout for an annual number of RECs to be procured from hydropower projects. The Agency believes this approach provides for the simplest and most straightforward solution to meeting the change in eligibility requirements resultant from P.A. 103-0380, and therefore adopted this proposal for the filed 2024 Plan.

2) Indexed REC Contract Flexibility to Manage Variability in Project Output

Through the Indexed REC contract development process, the Agency worked with utilities and stakeholders to develop an Indexed REC contract under the 2022 Plan that provides flexibility on issues such the timing of delivery requirements (given widespread interconnection issues across both of Illinois' regional transmission organizations), the quantity of REC deliveries in the initial delivery year where a system is only energized for a portion of that year, and accounting for loss

of system production due to degradation on photovoltaic systems. In comments on the draft 2024 Plan, the Agency was urged to allow for unit-contingent contracts that would allow a project to get paid for what it produces, rather than requiring a bidder to bid a fixed quantity, in order to better manage variability from project output. The Agency has considered this feedback and incorporated changes in the filed Plan; namely, the IPA proposes three additional contract changes to better manage this variability without changing the entire Indexed REC Contract structure. First, the Agency proposes to allow additional flexibility if weather or other factors result in unforeseen system underproduction by changing the contract such that a system must underproduce in five annual periods, rather than three, to trigger an Event of Default. Second, the Agency proposes to extend the current one-year period of Indexed REC contract delivery initial underperformance allowance to two years in order to provide more flexibility following project energization. Third, the Agency aims to accommodate potentially higher levels of Delivery Year degradation and better match contracted REC deliveries with anticipated project projection by adjusting the degradation factor calculation process.

3) Increased Transparency for Benchmarks Used in Renewable Resource Procurements

The Long-Term Plan describes how benchmarks—confidential price levels above which no bids are accepted—are developed by the Procurement Administrator and are used for the Agency’s Indexed REC procurements. Potential bidders in the Agency’s procurements have never been provided with an opportunity to comment on benchmark inputs, nor have they been given any visibility into the methodology itself.

The Agency recognizes that potential bidders have a strong interest in understanding and helping shape the inputs and assumptions informing benchmark development, even if the benchmark prices themselves must remain confidential to protect the competitive bidding process.

In recognition of these interests and in order to ensure robust participation in the Indexed REC procurement process, the IPA proposes to adjust the benchmark development process to provide increased transparency while maintaining core confidentiality principles to ensure that benchmark prices remain undiscoverable. Therefore, the IPA proposes in Chapter 5 to release high-level categories of cost, revenue, and other inputs and assumptions used within the benchmark development methodology (without releasing any values associated with those categories), release general data sources that may potentially be used for benchmark development without revealing any specific data points or values, and allow potential bidders the opportunity to comment on the information release and propose alternative data sources for consideration. The Agency will maintain the confidentiality of both the benchmark prices submitted to the ICC for approval and the specific data source(s) relied upon in the development of those benchmarks.

4) Adjustments to Illinois Shines to Address Group A Oversubscription

In Section 7.3.1.1 of the 2024 Plan, the Agency addresses the persistent issues in the Illinois Shines program with the Group A Small and Large Distribution categories, which have exceeded available capacity at a significantly faster rate than the same categories in Group B. Section 1-75(c)(1)(K) of the IPA Act requires the Illinois Shines program to be designed in a manner “to provide for the steady, predictable and sustainable growth of new solar photovoltaic development in Illinois.” The repeated closing of Group A distributed generation categories and subsequent reopening at lower or unknown prices is not a program design that leads to “steady, predictable, and sustainable growth” of solar development in the state. In the draft 2024 Long-Term Plan, the Agency suggested a number of potential remedies to this unpredictability.

The Agency received a large number of comments from stakeholders around the capacity issues plaguing distributed generation development in Group A. After careful consideration of all

of the very thorough and helpful comments, the Agency settled on a multi-pronged approach to resolution of this matter. The IPA believes this five-part solution will bring maximum impacts to participants in the Illinois Shines program, meet the letter and spirit of the law, and have minimal impact upon the RPS budget. First, the Agency proposes to eliminate the distinction between the capacity split for Group A and Group B across the Small Distributed Generation and Large Distributed Generation categories, while maintaining the distinction for purposes of determining the applicable REC price for such projects. Second, the Agency proposes to increase the overall size of the Illinois Shines program to 800 MW annually, from the 667 MW size established in previous iterations of the Long-Term Plan. The expansion of the Program overall allows the Agency to increase the size of the Small DG and Large DG categories (which are established based upon a proportional allotment from the total Program capacity) while providing stable growth within the Program and allowing projects that are shovel ready to be immediately developed, rather than waiting for the next annual block of capacity to open in order to be able to move forward. Third, the Agency will adjust the prioritization for the reallocation of uncontracted capacity at the close of each annual Program Year to improve the consideration for the Small Distributed Generation and Large Distributed Generation categories and thereby increase the opportunity to support waitlisted distributed generation projects. Fourth, the Agency will take additional steps to prioritize the ability of distributed generation projects to participate in the Public Schools and Equity Eligible Contractor categories, thereby opening additional space within the Small and Large DG categories. Fifth, the IPA proposes to implement a price adjustment cap in order to provide certainty around the price that will be available for waitlisted projects that receive a capacity allocation in a future Program year due to the exhaustion of capacity in the year the application is submitted.

5) Adder for Rooftop Community Solar Rooftop Projects

The Agency has taken steps in recent years to build our selection preferences for community solar projects featuring qualitative attributes demonstrating progress toward important public policy objectives beyond just raw renewable energy development. The Traditional Community Solar category includes a scoring system utilized if the category is oversubscribed that provides selection preferences for projects with positive built environment attributes, siting attributes, or an increased commitment to the utilization of equity eligible contractors.

Multiple commenters provided feedback to the Agency recommending the Agency adopt a REC price adder for roof-mounted community solar projects, noting that additional costs are required to facilitate the development of community solar on structures. After careful review and consideration of the comments, the Agency has determined that a \$5 per REC adder is appropriate to provide additional incentives for community solar projects applied in the Traditional Community Solar and Public Schools category that are roof-mounted as opposed to ground-mounted. The IPA believes that this REC pricing adder will make roof-mounted community solar systems more financially accessible, thereby reducing barriers to the development of systems in more densely populated areas and reducing the number of greenfield-developed projects statewide.

6) Equity Eligible Contractors

a) Certification Improvements

As explained in various sections of the 2024 Plan, the Agency has observed troubling activity regarding certification of EECs and participation in the EEC Category of Illinois Shines. Specifically, several entities that meet the minimum qualification standards of an Equity Eligible Contractor have sought certification, yet they are clearly not the type of entities contemplated by the legislature for this certification (i.e., entities that would “most benefit from equitable

investments by the state designed to combat discrimination”¹⁸). Due to changing demographics and gentrification, there are many areas designated as Equity Investment Eligible Communities (“EIECs”) that have residents that may not face discrimination, economic barriers, or any of the other inequities that the creation of the Equity Eligible Contractor designation is designed to address. Companies well-established in the Illinois solar market appear to have exploited this situation to take advantage of the opportunity to participate in the Program as an Equity Eligible Contractor.

The IPA did not anticipate such activity, and thus had not adopted any heightened qualification process for Equity Eligible Contractors, but it has become clear that such guardrails are necessary. Over the winter and spring of 2023, the Agency conducted several stakeholder feedback processes that related to the EEC designation.¹⁹ The IPA incorporated suggestions from those feedback processes into its draft 2024 Plan, proposing to require that an entity seeking EEC status demonstrate that the majority-owner EEP(s) have control of or actively manage the business. The draft 2024 Plan sought comments on potential documents that would demonstrate such control or management.

Some commenters suggested general criteria such as “demonstrate meaningful control” or that IPA only request “publicly available documents.” Some commenters pointed to the

¹⁸ 20 ILCS 3855/1-10 (defining “equity eligible person”).

¹⁹ See IPA Stakeholder Feedback Request - Minimum Equity Standard Waiver Request and Evaluation (Feb. 8, 2023), <https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/mes-waiver-request-and-scoring-final-8-feb-2023-for-release.pdf> ; IPA Stakeholder Feedback Request – Eligibility Criteria for Equity Eligible Contractors and the Equity Eligible Contractor Category (April 11, 2023), <https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20230411-final-feedback-request-adjusting-ee-criteria.pdf> ; IPA Requests for Stakeholder Feedback for 2024 Long-Term Plan (June 8, 2023), <https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20230608-2024ltp-second-stakeholder-request.pdf>.

documentation required by local and state governments for certifying entities as Minority-owned Business Enterprises. In Illinois, those processes are quite thorough, some requiring dozens of documents.²⁰ The Agency does not believe that approach would strike the best balance between providing an accessible certification process and ensuring the beneficiaries align with the spirit of the law.

One commenter suggested requiring proof that at least 51% of the REC incentives flowed to the EEP. The Agency does not think this is a feasible criterion. Proving such financial flow would be difficult, and the REC incentive payment may be used immediately for project costs. It is also unclear what the commenter means by "flows directly to the EEP"—that could mean paid directly to a personal bank account or it could mean reinvested into other operations of the EEC.

Many commenters responded with suggestions for adding criteria for qualifying as an equity eligible person. One suggestion was to require that persons seeking certification as an EEP due to residency in an EIEC demonstrate that residency for two years prior to certification. The IPA does not think this approach would solve the core issue—that many EIECs include gentrifying areas where the socio-economic resources and burdens of the residents can vary drastically from house to house or even unit to unit in a building. Those include areas that have been seeing such demographic shifts for many years, so a two-year demonstration would not address the underlying challenge. Furthermore, the Agency seeks to tighten the certification requirements for EECs, not EEPs more broadly.

The IPA concluded that the optimal approach would involve requiring a demonstration that the majority-owner EEP(s) are both individuals that face economic barriers and discrimination and

²⁰ See, e.g., City of Chicago "DBE Uniform Certification Application Supporting Documents Checklist," https://www.chicago.gov/content/dam/city/depts/dps/Outreach/DBE_Checklist.pdf (last visited Oct. 20, 2023).

that they are active leaders and decision-makers in the business. Thus, the 2024 Long-Term Plan proposes to add two requirements to the EEC certification process. First, the majority-owner EEP(s) must provide documentation of their socio-economic status. The inclusion of the authorization to allow for an advance of capital in the EEC Category of Illinois Shines points to the legislature's belief that EECs would not already have access to financial resources. Second, the entity must provide documentation demonstrating that the majority-owner EEP(s) exercises control of or actively manages the business. Some stakeholders have argued that there are economic benefits to EEPs that serve as silent partners, and while that may be true, the IPA does not believe that such arrangements were the statute's intended beneficiaries. The modifications to the IPA Act under P.A. 102-0662 strongly communicates that the legislature sought to support a clean energy workforce and sector that included and *involved* equity eligible persons; all of the workforce development programs created under P.A. 102-0662 are designed to support careers in clean energy—not investors. Therefore, the Agency proposes that entities seeking EEC certification provide evidence that the majority-owner EEPs are directly involved in the management and decision-making of the business.

Given the swiftly shifting demographics in many EIECs and the risk that REC incentives intended for disadvantaged entities may flow to sophisticated, well-financed entities, the Agency also proposes additional guardrails related to EEC certification. First, an individual EEP may only serve as the majority-owner for one Equity Eligible Contractor company. Some commenters argued that this limitation would burden an EEP's ability to participate both in the EEC Category as an AV and in the Traditional Community Solar category as a Designee (to take advantage of points awarded for subcontracting with an EEC Designee). The Agency fails to see how creating a new EEC with the same EEP majority-owner, but presumably new staff and management, is

different from subcontracting that work out to a non-EEC entity. Especially given the proposed requirement that an EEP be active in the management and decision-making of the business, the Agency does not see how an EEP could demonstrate that level of involvement in two or more businesses, thus increasing the similarity to subcontracting to a non-EEC. The Agency maintains this proposed requirement.

Second, as part of the annual Approved Vendor registration renewal, the Agency proposes to require that EEC Approved Vendors re-certify that the entity is majority-owned by EEPs. Company ownership changes over time, and because the EEC designation is tied to the EEPs, not the company as a legal entity, the Agency proposes to include this annual confirmation to ensure that program benefits continue to flow to EEPs. That annual re-certification process will also require that majority-owner EEPs that qualified based on primary residency in an EIEC also confirm that residency, again to address the patterns described above.

b) Advance of Capital Parameters and Request Evaluation

Section 1-75(c)(1)(K)(vi) of the IPA Act authorizes the IPA to develop a “payment structure for contracts executed pursuant to this paragraph under which, upon a *demonstration of qualification or need*, applicant firms are advanced capital disbursed after contract execution but before the contracted project's energization” (emphasis added). In the 2022 Long-Term Plan, the Agency laid out a simple process for EECs to request an advance of capital.²¹ In reviewing this first set of requests, the Program Administrator did not receive the level of detail or specificity it had expected regarding the need for the advance—most requestors focused on the need for capital generally to develop a community solar project. The difficulty in getting the information relevant

²¹ IPA Modified 2022 Long-Term Plan Upon Reopening at 175.

to demonstrating need was not the only unexpected challenge in implementing the first set of requests for advance of capital. The Agency received significantly more requests for advance of capital, and for much larger amounts, than anticipated. In total, 6 EECs submitted over 30 requests for advances totaling over \$75 million. Most of these requests came from companies or affiliates of companies that have succeeded in developing and receiving REC contracts in Illinois Shines for multiple large projects in prior years, without any difficulty accessing capital.

Section 1-75(c)(1)(K)(vi) states that the amount of capital advanced upon a demonstration of need should be “designed to overcome barriers in access to capital faced by equity eligible contractors.” It also directs the IPA to design the contractual terms of the advance of capital to “ensure both the successful development of applicant projects and the delivery of the renewable energy credits for the full term of the contract.” The IPA must evaluate these two statutory aims as a whole; the legislature found that the benefit an advance could provide to EEC firms that cannot access capital elsewhere was worth the risk inherent in advancing payment for something not yet built. But that risk is only warranted because the EECs have demonstrated need and cannot access capital otherwise. Thus, when the Agency faced a number of requests that not only posed much higher risk than anticipated due to the large size of the advance requested, but also featured questionable equity value due to the firms’ proven ability to access capital, it decided to pause evaluation of the requests and design a more robust assessment method that would more appropriately control for such risks and ensure the equity value.

The draft 2024 Long-Term Plan explained that the IPA will be developing a set of criteria for evaluating requests for an advance of capital in the EEC Category. While not a rigid scoring rubric with numerical values assigned to each element, the set of criteria will provide greater transparency for EECs as to what the Agency expects to see in the request and will ensure that the

IPA has all the pertinent information at hand when evaluating such requests. As outlined in the 2024 Plan, the Agency plans to publish a draft of the criteria for stakeholder comment outside this proceeding. The Agency hopes to have a final set of criteria by December 2023, much sooner than would be possible were the criteria to be included in this Plan.²² The Agency does provide general categories of information that the Agency will request, such as the barriers faced by the EEC in accessing capital due to its status as an EEC (e.g., how being majority-owned by an EEP has impeded it from gaining investors or loans), the number of projects the EEC or its affiliates or owners have previously submitted to IPA programs, the financial status of the EEC and the resources available to it (balance sheets, cash flow statements, tax returns, etc.), and the role of the EEP majority-owner(s) in the creation and management of the EEC and in the development of project applications.

Commenters on the draft 2024 Plan encouraged the use of public documents first to verify any of the proposed criteria, and to hold any non-public documents confidential. Notably, the Joint EEC commenters supported review of financial records such as tax documents, and also requested that the Agency consider socio-economic status as a criterion.

In this filed 2024 Plan, the Agency has proposed to develop qualitative criteria for evaluating the requests for advance of capital and determining whether the EEC has demonstrated need, as required by Section 1-75(c)(1)(K)(vi) of the IPA Act. Additionally, in light of the size of requests received in the past year, the Agency has proposed an upper limit on requests for advance of capital. Not only will this minimize the risk associated with advancing capital before project energization, the Agency also believes that the ability to develop and submit applications for large

²² The specific criteria is also a level of detail regarding program administration that the Agency has not previously included in the Long-Term Plan

projects (which have large REC contract values and thus may request a large advance on that value) and the ability to develop multiple projects at once speaks to a firm’s sophistication and resources, and thus to their ability to access capital. Therefore, the Agency has proposed to limit an advance of capital for a single project to the lesser of \$750,000 or 50% of the REC contract value and to limit the size of REC contracts eligible for an advance to \$1.5 million. For an EEC that requests an advance for multiple projects in a single program year, the cumulative total of advances awarded may not exceed \$5 million.

7) Potential Federal Funding to Expand Illinois Solar for All

On October 12, 2023, the Illinois Finance Authority (“IFA”) submitted an application for federal funding to the U.S. Environmental Protection Agency (“EPA”) through the Greenhouse Gas Reduction Fund Solar for All program.²³ That program provides grants to programs that make solar energy accessible to low-income households and communities. The Illinois Power Agency is a partner on the application and provided input on the program design, which includes substantial new funding for ILSFA. Specifically, the application requests \$100 million to directly expand the budget of the ILSFA Community Solar sub-program and \$30 million to directly expand the budget of the ILSFA Small Residential Solar sub-program. While the other application elements will be administered by the IFA, the two allocations to directly expand the ILSFA sub-programs must flow to households in the form of REC incentives in order to be compatible with the existing ILSFA structure. ILSFA awards contracts for REC incentives that come from either utility-collected ratepayer funds, where the utility is the counterparty on the REC contract, or from the Renewable Energy Resources Fund (“RERF”), where the IPA is the counterparty on the REC

²³ U.S. Environmental Protection Agency, “Greenhouse Gas Reduction Fund,” <https://www.epa.gov/greenhouse-gas-reduction-fund> (Sept. 26, 2023).

contract. Since the IFA cannot allocate federal funding to the utilities, the filed 2024 Plan proposes that the federal funding be deposited into the RERF for use by the IPA in awarding REC incentives. Section 1-56(b-5) of the IPA Act states that “after the receipt of all payments required by Section 16-115D of the Public Utilities Act, no additional funds shall be deposited into the Illinois Power Agency Renewable Energy Resources Fund unless directed by order of the Commission.” The IPA requests that the Commission include authorization of the deposit of federal funds from the U.S. EPA’s Solar for All program into the RERF to expand the budgets of the ILSFA Community Solar and Residential Solar sub-programs.

8) Consumer Protection

The Agency proposed several new significant consumer protection initiatives in the draft 2024 Plan. While the Agency has retained each initiative in the filed Plan, it has made modifications to the details of each after considering public comments.

a) Economic Incentive for Stranded Customer Projects

The draft 2024 Long-Term Plan explained that the Agency has observed some specific consumer protection concerns for Illinois Shines distributed generation customers. This includes an increasing trend of customers becoming “stranded”—that is, the situation when a customer has already signed a contract with a solar company, and then the Approved Vendor (or sometimes the Designee, or both) goes out of business or is prevented from moving forward with the project for other reasons, such as disciplinary action. The Agency has repeatedly heard that assisting stranded customers is often unattractive to Approved Vendors and Designees because the amount of work and risk can outweigh the benefits.

The Agency proposed in the draft Plan to provide an economic incentive for companies that assist stranded customers in the form of a “REC adder” —that is, an increased price in the

REC Contract for RECs generated by projects that were stranded and then “unstranded.” Commenters were supportive of this idea and the Agency has retained the proposal in the Plan with a few clarifications. For example, one question posed to commenters was whether there should be restrictions on the contract between the customer and the new Approved Vendor or Designee. Commenters were split, and the Agency has decided to not mandate the terms of the new contract, but will require a new Disclosure Form if the terms of the new contract are different. The Agency does not want to discourage the rescuing of stranded customers whose original deal may not be commercially viable for a solar company.

b) Escrow Process for Approved Vendors that Do Not Pass-Through Promised Incentive Payments

Another consumer protection concern that has arisen specifically for Illinois Shines distributed generation customers is the situation where an Approved Vendor tells the customer that it would pass through some or all of the REC incentive payment directly in a lump sum payment, and then the AV has not actually passed through that money. In the initial draft Plan, the Agency proposed to create an escrow process to be activated in situations where an Approved Vendor is very likely not going to pass through promised incentive payments to customers. Instead of making the REC incentive payment to the Approved Vendor, the utility would make the payment to an escrow agent, who would in turn disburse the appropriate amounts to the customer and Approved Vendor.

Commenters supported the development of an escrow process to protect customers. As with the REC adder, the Agency retained this initiative in the Long-Term Plan, but made a few modifications and clarifications. For example, in this and a previous round of comments, stakeholders have expressed concern about the capacity of the Illinois Shines Program

Administrator to serve as an escrow agent in addition to its current duties. In light of this feedback, the Agency intends to use a third-party professional escrow service as the escrow agent. The Agency also clarified that an Approved Vendor may appeal the determination to activate the escrow process. In addition, once activated, an Approved Vendor can request (no more than once a year) that the escrow process no longer be used, with the burden on the Approved Vendor to demonstrate that there is no longer a risk that it will fail to pass through promised incentive payments to customers.

c) Solar Restitution Program

In the initial draft Plan, the Agency proposed the development of a solar restitution program.²⁴ Payments would be made to customers who have been harmed through their participation in Illinois Shines or Illinois Solar for All, such as by an Approved Vendor or Designee’s violation of Program requirements that causes economic harm to the customer.

Commenters supported the development of a restitution program, although there were differing positions on the details of how the program should be developed. The Agency retained the proposal but modified and added some details. For example, the Agency confirmed that it intends to use a phased implementation so that it can use its experience to develop the program. The Agency intends to implement a cap of \$200,000 per Approved Vendor or Designee. While commenters disagreed on whether a cap *per company* is appropriate, this appears to be a “best

²⁴ The draft Plan released for public comment referred to a Restitution “Fund,” but since the Agency’s proposal is to use general RPS funds, rather than a separate dedicated fund, the Agency has decided to refer to it instead as a Restitution Program.

practice” for consumer restitution programs and the need for this type of cap was a “lesson learned” from California’s experience with its Solar Energy System Restitution Program.²⁵

The Agency does not plan to require customers to obtain a court judgment to be eligible for a restitution payment, despite a comment suggesting this. The Agency feels that requiring a court judgment would be an unreasonable barrier.

Commenters asserted that solar companies whose conduct leads to a restitution payment should be automatically suspended from the Program. After careful consideration, the Agency has decided to not make suspension automatic. The Agency feels it is important to retain discretion, especially as the restitution program is being developed, as unexpected situations may arise. It is likely that most restitution payments will in fact be associated with Approved Vendors or Designees who are ultimately suspended for Program violations; in these cases, the Agency repayment may be a requirement for reinstatement.

One commenter suggested that the Agency consider whether there is a single solution that would protect customers, rather than multiple different initiatives and programs. The REC adder, escrow process, and restitution program are intended to complement each other and offer synergy, rather than provide duplicative solutions. For example, the restitution fund and REC adder may work together to make customers whole in order to set them up to be able to move forward with a new company. The escrow process is to ensure that customers actually receive promised pass-through REC payments; if successful, the escrow process will prevent these customers from needing to submit restitution claims. While it could perhaps be argued that a restitution program

²⁵ A presentation on California’s Solar Energy System Restitution Program noted that “[a] cap is needed to limit total fund payout per respondent contractor,” as a small number of contractors was responsible for a large number of claims. Contractors State License Board, “Solar Energy System Restitution Fund” slide deck (Dec. 6, 2022 Workshop Pursuant to CPUC Decision 21-09-024).

could solve all consumer harms, the Agency believes the REC adder and escrow process are important ways to help customers successfully participate in the Program (and achieve anticipated benefits) without a significant additional payment from the Program.

COMMENTS/PROPOSALS NOT ACCEPTED/ITEMS UNCHANGED FROM DRAFT 2024 PLAN

While all comments were reviewed, analyzed, discussed, and considered, not all proposals were adopted. Although the Agency did not adopt all proposals, it genuinely appreciates the efforts made by parties in attempting to further improve the Agency's draft 2024 Long-Term Plan.

1) Proposals Related to the Self-Direct Program that Require Legislative Action

As discussed in Chapter 6, the self-direct renewable portfolio standard compliance program allows eligible customers that purchase renewable energy credits from utility-scale wind and solar projects through long-term agreements and subsequently retire those RECs to receive a credit back for some portion of the RPS charges paid by the customer to its utility.

Multiple commenters sought changes to the self-direct program bill crediting methodology outlined in Section 1-75(c)(1)(R)(4) of the Act and explained in Section 6.5 of the Plan. Commenters seek to have the Agency provide a more generous credit and several suggest an alignment of the self-direct credit per REC with an average of the competitively bid utility-scale REC prices. One commenter correctly explained that a more generous crediting rate requires a legislative or other regulatory solution, as another crediting structure is not contemplated under the provisions of the IPA Act. In fact, the interpretation of the statutory language surrounding the establishment of the self-direct bill credit was a highly contested matter in the litigation of the

Agency's 2022 Long-Term Plan in ICC Docket No. 22-0231.²⁶ The 2024 Plan maintains the Commission-approved methodology, based upon the Commission's interpretation of Section 1-75(c)(1)(R)(4) just 15 months ago. Any change to the self-direct crediting rate must come from a legislative change to the IPA Act and the process for determining that rate.

Likewise, the Agency cannot ignore clear directives from the IPA Act that establish the basis for eligibility in the self-direct program. The Agency received comments recommending that the Agency reduce the requirement that RECs delivered to a self-direct customer must be equivalent in volume to at least 40% of the customer's usage; commenters suggested that a threshold closer to 22% of the customer's usage would spur additional participation in the self-direct program. This 40% usage requirement, however, is an unambiguous threshold eligibility requirement that stems directly from Section 1-75(c)(1)(R)(2)(iv) of the IPA Act. Neither the Agency nor the Commission can set aside this clear directive from the law to provide the opportunity for additional customers to participate in the self-direct program. A legislative change would be required to allow the IPA to adopt this proposal.

2) Post-Award Indexed REC Contract Changes

The draft 2024 Long-Term Plan explained that under the Indexed REC structure, a renewable energy project developer bids in a fixed Strike Price, generally at a date well before most project development steps have commenced. However, between supply chain challenges, component costs, interest rates, interconnection costs, interconnection delays, and other variables, the assumptions informing the Strike Price may shift significantly by the project's energization date, which may leave the project uneconomic at the awarded Strike Price. These challenges are

²⁶ See Final Order, ICC Docket No. 22-0231 (Jul. 14, 2022) at 15-40.

impacting renewable project development in other restructured states, including New York, Connecticut, and Massachusetts, where renewable resource developers have asserted that projects are becoming less financially viable and may become not feasible, which would lead the developer to cancel supply contracts with utilities, which could ultimately pose risks to the states meeting their renewable energy transition goals.

The draft Plan described that one way to address inflated project costs would be to allow post-award changes to contracts. As the draft Plan explained, post-award changes to contract terms could carry risks and concerns, chiefly that the IPA would not want the competitiveness of the initial bid process to be compromised by the prospect of downstream negotiations. On the other hand, a forced default due to changed economics leaves Illinois' RPS without expected project development. The IPA sought feedback on how to best accommodate necessary downstream post-award REC delivery contract changes.

Commenters supported the Agency using a one-time post-award price adjustment, such as through a contract amendment, for winning bidders whose projects have not yet been placed in service. The Agency found these arguments compelling, but ultimately decided a comprehensive post-award downstream negotiation is too complicated to sufficiently solve through a proposal in the 2024 Plan. Instead, the Agency proposes to conduct workshops after the conclusion of this proceeding to further explore this issue, and will finalize an Indexed REC post-award negotiation process in a compliance filing within one calendar year after the Plan's approval by the ICC.

3) REC Pricing Model

While the Agency made technical corrections to the REC Pricing Model based on comments received, other suggested changes to the REC Pricing Model were not implemented. First, commentors provided feedback regarding the calculation of net present values under the

REC Pricing Model. The Agency has reviewed those comments and believes that the modeled approach is correct and does not require modification. The Agency found that some cells within the model were unclearly labeled, leading to confusion around the calculation, and has updated the labeling of those cells. The model correctly compares net present values of future net metering credit value to the net present value of expected costs of the system. The REC Pricing Model does not discount REC production, as that is a fixed quantity that does not have the time value of money that warrants using a net present value as is done for other factors. Second, one commentor raised a concern regarding treatment of the smart inverter rebate in the model, as it is treated as a credit in the underlying CREST model discounted cash flow model, rather than revenue akin net metering credits. The Agency disagrees and believes that this is a proper treatment of the rebate within the CREST model. Third, the Agency did not make adjustments to the REC Pricing Model in response to comments seeking to modify inputs to land lease rates for community solar projects or labor costs. Updated NREL cost data is not yet available to include in the REC Pricing Model, though the Agency expects to update the appropriate inputs when the next NREL solar cost benchmark report is available before final REC prices are established for the 2024-2025 program year.

4) Demographic and Geographic Data Collection

The draft 2024 Long-Term Plan did not propose any changes to the existing system for collecting demographic and geographic data regarding the workforce participating in IPA programs and procurements. Several commenters urged the IPA to consider streamlining or consolidating that data collection to a single annual report. The Agency understands that the Illinois Shines and Illinois Solar for All programs and the competitive procurements for Indexed RECs already involve multiple applications, reporting requirements, and documentation, with several new reporting requirements since the enactment of P.A. 102-0662 in 2021. While the

Agency always prefers to adopt the simplest approach possible, it also must ensure that its processes achieve the outcomes required by statute. In the case of data collection, data quality is extremely important and undergirds the Agency’s ability to rely on the data at all. As explained in the rationale document that accompanied the IPA’s original announcement that it would collect demographic and geographic data on the project workforce in the Part II Application, the Agency believes that temporal proximity to the actual work will improve the accuracy and completeness of the data. The Agency’s experience to date has only reinforced that conclusion. The Program Administrator has already received several requests for exceptions to the data reporting requirement because the Approved Vendor is unable to obtain the information from a subcontractor. Only requiring this data to be furnished in aggregate and once a year would exacerbate these lapses, and could affect the quality of the data used for the Equity Accountability System Assessment and the Disparity Study, both of which will use the data collected in Part II applications. Therefore, the Agency proposes to continue collecting data in Part II Applications.

The Agency also recognizes that the Annual REC Report, which is meant to track the provision of RECs under contracts awarded through Illinois Shines, is an inapt vehicle for reporting on demographic data. The Agency proposed in this 2024 Plan to move this reporting requirement to the Minimum Equity Standard Year-end Report, in which Approved Vendors and Designees report on achievement of the Minimum Equity Standard.

5) Equity Eligible Person Definition

The Agency received comments suggesting that the 2024 Plan include changes to the definition of “equity eligible person” included in Section 1-10 of the IPA Act. That Section defines “equity eligible person” as “persons who would most benefit from equitable investments by the State designed to combat discrimination, specifically:

(1) persons who graduate from or are current or former participants in the Clean Jobs Workforce Network Program, the Clean Energy Contractor Incubator Program, the Illinois Climate Works Preapprenticeship Program, Returning Residents Clean Jobs Training Program, or the Clean Energy Primes Contractor Accelerator Program, and the solar training pipeline and multi-cultural jobs program created in paragraphs (a)(1) and (a)(3) of Section 16-108.21 [*sic*] of the Public Utilities Act;

(2) persons who are graduates of or currently enrolled in the foster care system;

(3) persons who were formerly incarcerated;

(4) persons whose primary residence is in an equity investment eligible community.”

One commenter requested that the Agency include persons with disabilities and veterans in the definition of equity eligible person. While the Agency recognizes that the categories of qualification listed in Section 1-10 of the IPA Act do not encompass every group that may face discrimination in the workplace or may be trained to work in clean energy, the legislature was well aware of the various protected classes when it crafted this definition. The State has existing laws designed to combat discrimination against individuals of other protected groups, such as persons with disabilities, but the legislature determined that the four characteristics listed in Section 1-10 of the IPA Act would best encompass the communities it sought to support. The IPA interprets this definition as an intentional decision regarding the types of communities meant to benefit from the Equity Accountability System.

Another commenter requested that the IPA include the Craft Apprenticeship in subsection (1) of that definition, which qualifies participants in specific workforce training programs. The legislative intent to finely compose a definition that targeted the communities that it sought to uplift through the Equity Accountability System is even clearer regarding the specific workforce training programs listed in the definition of “equity eligible person.” The Future Energy Jobs Act created three job training programs, originally administered by Commonwealth Edison and now

administered by the Department of Commerce and Economic Opportunity.²⁷ Section 16-108.12 of the PUA details those three programs: a solar training pipeline program, a craft apprenticeship program, and a multi-cultural jobs program. The statute specifically names two of the programs established under the Future Energy Jobs Act, demonstrating that the legislature considered these programs in drafting the definition of equity eligible person. If the intention was to include all three, the legislature could have simply referred to “the programs established under Section 16-108.12 of the Public Utilities Act” without naming individual programs, or it could have listed all three programs. Instead, it included “the solar training pipeline and multi-cultural jobs program created in paragraphs (a)(1) and (a)(3) of Section 16-108.21 [*sic*] of the Public Utilities Act,”²⁸ not only naming the specific programs but the specific subparagraphs under which they are listed. It strains the canons of statutory interpretation to consider this as an oversight. Therefore, the Agency does not believe it has the authority to expand the definition of Equity Eligible Person at this point. The legislature chose to limit the definition of equity eligible person to the four characteristics in the statute, and the IPA is charged with respecting and implementing that legislative choice.

6) Illinois Solar for All

The Agency received comments on several issues related to the Illinois Solar for All program that it concluded were either not in line with Program objectives or not items normally included in the Long-Term Plan. First, the current ILSFA Approved Vendor Manual specifies that master-metered multi-unit residential buildings with a demand under 25kW may count as income-eligible subscribers for the Community Solar sub-program. Some commenters asked that the

²⁷ 220 ILCS 5/16-108.12.

²⁸ 20 ILCS 3855/1-10. Note that the statute incorrectly identifies the programs as listed in Section 16-108.21 of the PUA; the correct citation is Section 16-108.12.

Agency remove this maximum and allow master-metered buildings with a larger electric demand to count as income-eligible non-anchor subscribers in ILSFA Community Solar projects. These commenters argued that doing so would expand access to community solar and increase participation in the sub-program. The Agency does not believe that this approach would align with the goals of Illinois Solar for All, which is designed not just to increase support for solar but also to reduce the energy burdens of income-eligible residents of Illinois. Current data shows that there are over 341,000 households in Illinois that received LIHEAP benefits this year. For comparison, the current portfolio of Part II verified community solar projects in ILSFA serve less than 2,000 subscribers. Considering this limited supply of community solar subscription, the Agency believes that ensuring subscriptions are available for households that pay their own electric bills best serves the interests of income-eligible residents.

Other commenters urged the Agency to move to a simple attestation for income verification purposes. The statute defines “low-income households” as “persons and families whose income does not exceed 80% of area median income, adjusted for family size and revised every 5 years.”²⁹ Commenters claim that the reduced paperwork burden and simpler application process would increase program participation and point to other states that have begun accepting self-attestations as proof of income. Commenters failed to note that ILSFA offers significantly higher REC incentives than those other state programs, which the Agency argues warrants a heightened verification process to ensure prudent use of ratepayer funds. Thus, the Agency does not propose in this 2024 Plan to change the ILSFA income verification process.

PROCESS & SCHEDULE

²⁹ Id.

As referenced above, the law provides that “[w]ithin 14 days after the filing of the initial long-term renewable resources procurement plan or any subsequent revisions, any person objecting to the plan may file an objection with the Commission”—leaving a deadline for Objections of November 3, 2023. The law also provides that “[w]ithin 21 days after the filing of the plan, the Commission shall determine whether a hearing is necessary.” That 21-day deadline falls on November 10, 2023.

While 120 days for Commission consideration is more than the Commission is afforded for the consideration and approval of the Agency’s annual procurement plan, it still leaves parties with an expedited timeline. The Agency also understands that the Commission has scheduled a Regular Open Meeting on February 20, 2024, which is the conclusion of this 120-day period.³⁰ In recognition of the timing challenges, the Agency developed the following proposed schedule to (hopefully) accommodate the needs of the hearing officers and any interested parties:

FILING DATE:	Friday, October 20, 2023 (statutory)
OBJECTION DUE DATE:	Friday, November 3, 2023 (statutory)
HEARING DETERMINATION DEADLINE:	Friday, November 10, 2023 (statutory)
RESPONSES TO OBJECTIONS:	Friday, December 1, 2023
REPLIES TO RESPONSES:	Friday, December 15, 2023
EVIDENTIARY HEARING (IF NECESSARY):	Tuesday, December 19, 2023
PROPOSED ORDER:	Tuesday, January 16, 2024
BRIEFS ON EXCEPTION:	Friday, January 26, 2024
REPLY BRIEFS ON EXCEPTION:	Monday, February 5, 2024
COMMISSION DECISION DATE:	Tuesday, February 20, 2024
DEADLINE FOR COMMISSION ACTION:	Tuesday, February 20, 2024 (statutory)

Based on the comments received through the formal comment process, the Agency does not believe an evidentiary hearing is necessary for the consideration and approval of the Plan.

³⁰ The 120-day statutory period ends on Saturday, February 17, 2024; Monday, February 19, 2024 is a holiday. Therefore, February 20, 2024 becomes the applicable deadline consistent with the Statue on Statues (5 ILCS 70/1.11).

The Agency requests that the undersigned attorneys be placed on the service list for the resulting docketed proceeding, each of whom agree to electronic service pursuant to Title 83, Section 200.1050 of the Illinois Administrative Code (the Commission's Rules of Practice).

In addition to the appendices included with the Plan, the Commission and other parties may wish to review certain items published on the Agency's website (www.illinois.gov/ipa). These include native RPS budget Excel files for more fulsome budget modeling, a downloadable version of the Agency's REC pricing spreadsheet, and a red-line copy demonstrating changes between the Draft Plan and filed Plan. If not available at the time of filing, those files will be made available shortly thereafter.

CONCLUSION

The Illinois Power Agency’s 2024 Long-Term Renewable Resources Procurement Plan is consistent with the requirements of Sections 1-56(b) and 1-75 of the Illinois Power Agency Act, Section 16-111.5(b)(5) of the Public Utilities Act, and any other relevant portions of the Public Utilities Act and the IPA Act. As the 2024 Long-Term Plan “will reasonably and prudently accomplish the requirements of Section 1-56 and subsection (c) of Section 1-75 of the Illinois Power Agency Act,” it should be approved by the Commission. The IPA reserves the right to file responsive comments and any corresponding edits to the Plan, and respectfully requests approval of its 2024 Long-Term Renewable Resources Procurement Plan.

Dated: October 20, 2023

Respectfully submitted,

Illinois Power Agency



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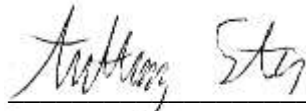
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STATE OF ILLINOIS)
)
COUNTY OF COOK)

VERIFICATION

Pursuant to 83 Ill. Admin. Code 200.130 and 735 ILCS 5/1-109, under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this Verified Petition to are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he verily believes the same to be true.



Anthony M. Star

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Power Agency)	
)	
Petition for Approval of the IPA’s 2024)	ICC Docket No. 23-_____
Long-Term Renewable Resources Procurement)	
Plan Pursuant to Section 16-111.5(b)(5)(ii))	
of the Public Utilities Act)	

NOTICE OF FILING

Please take notice that on October 20, 2023, the undersigned, an attorney, caused the Illinois Power Agency’s Verified Petition for Approval of the IPA’s 2024 Long-Term Renewable Resources Procurement Plan Pursuant to 220 ILCS 5/16-111.5(b)(5)(ii), the 2024 Long-Term Renewable Resources Procurement Plan itself, and the appendices thereto to be filed via e-Docket with the Chief Clerk of the Illinois Commerce Commission in a new proceeding.

October 20, 2023

/s/ Kelly A. Turner _____