

Illinois Power Agency Releases 2023-2024 Renewable Energy Credit Prices and Rationale for Illinois Shines and Illinois Solar for All Programs

April 20, 2023

The Illinois Power Agency has released the 2023-2024 program year Renewable Energy Credit ("REC") prices for the Illinois Shines program (Adjustable Block Program) and the Illinois Solar for All Program ("ILSFA"). A full schedule of prices for both programs can be found below and will also be available on each program's website.

The full REC Pricing Model used to develop the 2023-2024 REC prices is available [here](#).

Section 7.5 of the Agency's [2022 Long-Term Renewable Resources Procurement Plan](#) outlines that for the 2023-2024 program year the Agency would "conduct an annual refresh of the REC Pricing Model" including "refreshing inputs from known sources and seeking stakeholder feedback on preliminary prices." On March 1, 2023, the Agency released a preliminary set of prices, requested stakeholder feedback, and received [comments](#) from nine stakeholders. The Agency thanks the commentors for their helpful feedback and has incorporated many recommendations into the final REC prices for the 2023-2024 program year.

Please note that this pricing update for the 2023-2024 program year is separate from the review of REC pricing methodology to be used in future program years being conducted by an independent consultant. This separate independent review will inform REC pricing approaches (and thus future REC prices) proposed in the next Long-Term Renewable Resources Procurement Plan ("Long-Term Plan"). Certain comments received on the 2023-2024 REC prices may be more applicable for that process and will be considered accordingly.

As described in the March 1, 2023 release, the Agency updated the following inputs into the REC Pricing Model for the REC Prices for the 2023-2024 program year:

1. The Investment Tax Credit updated to 30%.
2. NREL's September 2022 Benchmark Report is used to update NREL cost data. For projects over 25 kW AC in size, costs are scaled from a 500 kW project using historical cost differentials from the August 2022 REC pricing model which utilized NREL's January 2021 Benchmark Report.

3. Additional project data from systems energized as of January 2023 used to update capacity factors and DC/AC ratios.
4. Utility tariffs as of January 2023 used to update net metering rates.
5. 2022 Historical Locational Marginal Prices added for determining over 25 kW net metering values.

Based on feedback received on the March 1, 2023 proposed REC prices and associated REC Pricing Model, the Agency made the following additional adjustments to the model for use in the 2023-2024 program year.

1. Various errors and typos in the REC Pricing Model were corrected, including corrected or updated inputs for ComEd's residential rates, construction periods for Illinois Solar for All, and formula errors in the scaling of NREL capital costs.
2. The federal bonus depreciation rate used in the REC Pricing Model was reduced from 80% to 60% to reflect the scheduled reduction in that rate.
3. The REC prices for the Public Schools category were adjusted to maintain the same prices as the 2022-2023 program year. This reflects concerns raised by several parties about the lack of participation to date in that category, and to give that market more time to develop.

One commentor raised concerns with costs associated with maintaining subscriber levels for Illinois Solar for All low-income community solar projects, as well as the costs associated with achieving points for selection for Illinois Shines Traditional Community Solar projects. The Agency has declined to make any adjustments to REC prices for either category for this program year. In the first case the Agency believes the commentor did not correctly assess the subscriber level calculation methodology and thus the concerns were unwarranted. In the second case the Agency believes it is premature to make REC price adjustments to account for points awarded in selection of Traditional Community Solar projects. There are numerous variations on the way a project can be awarded points to be selected. Adjusting REC prices to incent certain type of points would improperly skew the value of those points and create a weighted point system.

Additionally, one commentor raised concerns regarding the backlog in Illinois Shines application processing and the potential impacts this has on the net present value of future REC payments. The Agency acknowledges the challenges the backlog has created for Approved Vendors and is optimistic that application processing improvements will reduce and eliminate this issue as the program in the future.

Other commentors expressed concern about REC price declines, especially in Group A. The adjustments now made generally result in smaller decreases, or in some cases higher REC prices than those proposed in March and should help alleviate those concerns.



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Illinois Shines 2023-2024 REC Prices

	2023-2024 Prices		Change from 2022-2023 Prices (\$)		Change from 2022-2023 Prices (%)		2022-2023 Prices	
Distributed Generation								
	Group A	Group B	Group A	Group B	Group A	Group B	Group A	Group B
0 - 10 kW	\$75.21	\$83.75	(\$3.30)	\$1.47	-4.20%	1.79%	\$78.51	\$82.28
10 - 25 kW	\$64.71	\$76.27	(\$1.68)	\$4.38	-2.54%	6.09%	\$66.39	\$71.89
25 - 100 kW	\$59.28	\$69.47	\$1.34	\$7.24	2.31%	11.64%	\$57.94	\$62.23
100 - 200 kW	\$60.44	\$65.96	\$1.59	\$6.94	2.70%	11.76%	\$58.85	\$59.02
200 - 500 kW	\$53.39	\$58.36	\$1.04	\$5.25	2.00%	9.88%	\$52.35	\$53.11
500 - 2000 kW	\$50.01	\$52.06	(\$0.41)	\$4.43	-0.81%	9.29%	\$50.42	\$47.63
2000- 5000 kW	\$40.16	\$39.56	(\$0.74)	\$6.25	-1.82%	18.76%	\$40.90	\$33.31
Traditional Community Solar								
	Group A	Group B	Group A	Group B	Group A	Group B	Group A	Group B
0 - 25 kW	\$55.08	\$63.48	(\$1.15)	\$1.94	-2.05%	3.16%	\$56.23	\$61.54
25 - 100 kW	\$58.94	\$71.92	(\$0.25)	\$7.53	-0.43%	11.70%	\$59.19	\$64.39
100 - 200 kW	\$60.79	\$73.22	(\$0.06)	\$7.99	-0.10%	12.25%	\$60.85	\$65.23
200 - 500 kW	\$56.96	\$65.20	(\$0.26)	\$3.11	-0.46%	5.01%	\$57.22	\$62.09
500 - 2000 kW	\$49.94	\$56.08	(\$1.38)	\$0.58	-2.69%	1.05%	\$51.32	\$55.50
2000- 5000 kW	\$39.27	\$42.39	(\$6.23)	(\$5.39)	-13.68%	-11.29%	\$45.50	\$47.78
Community-Driven Community Solar								
	Group A	Group B	Group A	Group B	Group A	Group B	Group A	Group B
0 - 25 kW	\$71.10	\$82.37	(\$0.50)	\$4.10	-0.70%	5.23%	\$71.60	\$78.27
25 - 100 kW	\$76.16	\$93.61	\$0.82	\$11.45	1.09%	13.94%	\$75.34	\$82.16
100 - 200 kW	\$78.33	\$95.12	\$1.06	\$11.70	1.37%	14.03%	\$77.27	\$83.42
200 - 500 kW	\$73.02	\$84.10	\$0.55	\$4.91	0.76%	6.20%	\$72.47	\$79.19
500 - 2000 kW	\$63.72	\$71.80	(\$1.04)	\$1.68	-1.60%	2.40%	\$64.76	\$70.12
2000- 5000 kW	\$49.33	\$53.31	(\$7.52)	(\$6.13)	-13.23%	-10.31%	\$56.85	\$59.44
Public Schools								
	Group A	Group B	Group A	Group B	Group A	Group B	Group A	Group B
0 - 25 kW	\$74.95	\$81.16	\$0.00	\$0.00	0.00%	0.00%	\$74.95	\$81.16
25 - 100 kW	\$65.57	\$70.42	\$0.00	\$0.00	0.00%	0.00%	\$65.57	\$70.42
100 - 200 kW	\$66.40	\$66.59	\$0.00	\$0.00	0.00%	0.00%	\$66.40	\$66.59
200 - 500 kW	\$58.94	\$59.81	\$0.00	\$0.00	0.00%	0.00%	\$58.94	\$59.81
500 - 2000 kW	\$56.73	\$53.59	\$0.00	\$0.00	0.00%	0.00%	\$56.73	\$53.59
2000- 5000 kW	\$45.72	\$37.23	\$0.00	\$0.00	0.00%	0.00%	\$45.72	\$37.23



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Illinois Solar for All 2023-2024 REC Prices

	2023-2024 Prices		Change from 2022-2023 Prices (\$)		Change from 2022-2023 Prices (%)		2022-2023 Prices	
Residential Solar (Small) (1-4 Unit)								
	Group A	Group B	Group A	Group B	Group A	Group B	Group A	Group B
0 - 10 kW	\$179.30	\$179.37	(\$1.37)	\$4.14	-0.76%	2.36%	\$180.67	\$175.23
10 - 25 kW	\$148.92	\$152.23	\$6.76	\$10.48	4.75%	7.39%	\$142.16	\$141.75
25 - 100 kW	\$123.60	\$125.48	\$16.50	\$16.97	15.41%	15.64%	\$107.10	\$108.51
Residential Solar Pilot								
	Group A	Group B						
0 - 10 kW	\$ 175.63	\$166.98						
10 - 25 kW	\$ 146.17	\$142.60						
25 - 100 kW	\$ 121.78	\$118.83						
Residential Solar (Large) (5+ Unit Multifamily)								
	Group A	Group B	Group A	Group B	Group A	Group B	Group A	Group B
0 - 10 kW	\$108.06	\$120.17	\$1.19	\$4.67	1.12%	4.04%	\$106.87	\$115.50
10 - 25 kW	\$90.77	\$104.23	\$2.46	\$7.18	2.79%	7.40%	\$88.31	\$97.05
25 - 100 kW	\$78.62	\$88.96	\$5.36	\$9.60	7.31%	12.10%	\$73.26	\$79.36
100 - 200 kW	\$80.07	\$85.97	\$6.03	\$9.57	8.14%	12.52%	\$74.04	\$76.40
200 - 500 kW	\$73.55	\$78.98	\$5.60	\$8.16	8.24%	11.52%	\$67.95	\$70.82
500 - 2000 kW	\$70.53	\$72.75	\$4.13	\$7.24	6.22%	11.06%	\$66.40	\$65.51
2000- 5000 kW	\$58.68	\$58.17	\$2.14	\$6.86	3.79%	13.38%	\$56.54	\$51.31
(ILSFA) Community Solar								
	Group A	Group B	Group A	Group B	Group A	Group B	Group A	Group B
0 - 25 kW	\$99.14	\$112.08	\$4.64	\$7.27	4.91%	6.93%	\$94.50	\$104.81
25 - 100 kW	\$104.89	\$124.67	\$6.14	\$15.54	6.21%	14.24%	\$98.75	\$109.13
100 - 200 kW	\$107.95	\$126.79	\$6.86	\$16.03	6.78%	14.47%	\$101.09	\$110.76
200 - 500 kW	\$102.49	\$115.12	\$6.39	\$8.80	6.65%	8.28%	\$96.10	\$106.32
500 - 2000 kW	\$92.14	\$101.15	\$4.65	\$4.72	5.32%	4.89%	\$87.49	\$96.43
2000- 5000 kW	\$74.60	\$78.93	(\$3.41)	(\$4.87)	-4.38%	-5.81%	\$78.01	\$83.80
Non-Profit and Public Facilities								
	Group A	Group B	Group A	Group B	Group A	Group B	Group A	Group B
0 - 25 kW	\$100.48	\$119.64	(\$0.28)	\$5.04	-0.28%	4.40%	\$100.76	\$114.60
25 - 100 kW	\$105.53	\$119.04	\$1.32	\$4.99	1.27%	4.37%	\$104.21	\$114.05
100 - 200 kW	\$106.91	\$114.21	\$2.09	\$4.39	1.99%	4.00%	\$104.82	\$109.82
200 - 500 kW	\$99.72	\$106.20	\$1.57	\$2.17	1.60%	2.09%	\$98.15	\$104.03
500 - 2000 kW	\$96.26	\$98.80	(\$0.13)	\$1.09	-0.13%	1.12%	\$96.39	\$97.71
2000- 5000 kW	\$81.31	\$80.16	(\$3.91)	(\$0.03)	-4.59%	-0.03%	\$85.22	\$80.19