

VIA EMAIL

December 17, 2021

Illinois-RFP@nera.com

RE: Illinois Power Agency Preliminary Proposal Requirements – Stakeholder Request for Feedback on Structure of Spring 2022 Procurement

To whom it may concern,

As an owner and operator of renewable energy assets in the Illinois, Cordelio Power LP (“Cordelio”), we want to thank the Illinois Power Agency (“IPA”) for the opportunity to provide comments on the preliminary proposal requirements and the term sheet, and generally for inviting industry participation in the IPA process.

Pursuant to Public Act 102-0662 a subsequent forward procurement of indexed renewable energy credits from new utility-scale wind, solar, and brownfield projects is to be held in Spring 2022. On December 6, 2021 the Illinois Power Agency posted the Preliminary Proposal Requirements and Draft Key Contract Terms for the Spring 2022 procurement, and a “Stakeholder Request for Feedback.” The IPA invited comments on any aspect of the documents it posted. In addition, the Stakeholder Feedback Request contains six topics for comment.

Cordelio supports the comments submitted by Clean Grid Alliance’s Response to Illinois Power Agency’s Request for Stakeholder Feedback on Structure of Spring 2022 Procurement. In addition, Cordelio would like to reiterate the importance of Topic 6: Forward Price Curve to establish the Annual Payment Cap

The interpretation that section 1-75(c)(1)(G)(v)(3) imposes an “annual payment cap” undermines the legislature’s decision to drive utility-scale REC market with the indexed variable REC product. An annual payment cap significantly shifts the risk of the indexed REC product to the seller. Moreover, this risk cannot be mitigated by actions of the seller, it simply creates an opportunity for losing revenue without the opportunity to recover that lost revenue in subsequent years.

The imposition of an annual cap forces the financing community to more closely scrutinize the risk of potential losses due to the annual cap and the potential accuracy/inaccuracy of the forward curve. Given the variable nature of the market and the lack of a forward curve track record, lenders will not be able evaluate the risk of the forward price curve deviating from real-time prices. Accordingly, utility-scale projects that would participate in the IPAs competitive procurements would be largely unfinanceable and therefore unviable.

Please feel free to reach out to follow up on this letter or to ask any questions or clarifications you may have.

Sincerely,



Brenda LeMay
VP Origination & Structuring

[Redacted contact information]