

ILLINOIS POWER AGENCY
Indexed REC RFP

Invitation to Comment and Opportunity to Provide Feedback

*The Procurement Administrator invites stakeholder feedback on any aspect of the documents posted on March 5, 2026 (including the **Draft Indexed REC Contract** and the **Preliminary Proposal Requirements**) as well as on three specified topics. Topic 1 (**Surety Bonds**), Topic 2 (**Impacts of H.R. 1**), and Topic 3 (**General Feedback on Improvements**) are listed in Appendix A, accompanied by specific questions on which feedback is sought.*

Background and Overview of Changes

In accordance with Section 16-111.5(b)(5)(ii)(B) of the Public Utilities Act, the IPA filed the 2026 Long-Term Renewable Resources Procurement Plan (“2026 Long-Term Plan”) with the Illinois Commerce Commission (“ICC” or “Commission”) on October 20, 2025.¹ The Commission released a Final Order approving the 2026 Long-Term Plan with modifications on February 17, 2026.²

In accordance with the 2026 Long-Term Plan, on February 19, 2026, the Procurement Administrator scheduled the Summer 2026 Indexed REC RFP to procure renewable energy credits (“RECs”) from new utility-scale wind projects (projects over 5 MW), new utility-scale solar projects (projects over 5 MW), new brownfield site photovoltaic projects, and new hydropower projects at an existing dam or modernized or retooled hydropower projects at an existing dam. The Targets for this procurement event are 2,500,000 RECs delivered annually from either new utility-scale wind or hydropower projects, 1,300,000 RECs delivered annually from new utility-scale solar projects, and 266,271 RECs delivered annually from new brownfield site photovoltaic projects.

The key changes in the draft Indexed REC Contract include:

- Addition of a process for the Buyer or Seller to petition the Commission to consider non-price-related REC Contract amendments to bring the product into compliance in the case of a Government Action (see Section 11.1)
- Language to provide additional clarity to the Cost Recovery provisions in the Indexed REC Contract to explicitly reflect the protections for Sellers established by P.A. 103-1066, ensuring full, prompt, and uninterrupted payment under certain conditions (see Section 5.4)
- Option to use a surety bond to post performance assurance (see Exhibit E-6)

¹ <https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20251020-2026-long-term-renewable-resources-procurement-plan.pdf>

² Docket No. 25-0945, Final Order dated February 17, 2026.

The key changes in the Preliminary Proposal Requirements include:

- Beginning with the Fall 2025 Indexed REC RFP, there is a new procedure to reallocate the unfilled target from an “Undersubscribed” Category towards selecting additional RECs from projects with a bid that meet or beat the benchmark from an “Oversubscribed” Category. This procedure and the relevant definitions are described in paragraphs 5.4-5.5.
- New rules have been added to recognize a wider range of developer commercial arrangements while maintaining current confidentiality provisions. Bidders are required to name all entities with a current role in development of the project and to name “Contributors”, who are individuals expected to make specific and material contributions to preparing and submitting the Proposal. Contributors to a Proposal presented by a Bidder may only communicate Confidential Information relating to the Proposal with each other and not with any Contributors to a Proposal presented by another Bidder. The rules related to naming entities and individuals are described in paragraphs 3.3-3.6 and the new rules for Summer 2026 are specifically described in paragraphs 3.5-3.6. The bulleted list of required certifications related to maintaining confidentiality is provided in Section 6 with the Part 2 Proposal requirements for each Technology.

Invitation to Comment

On March 5, 2026, the Procurement Administrator posted the Draft Indexed REC Contract and Preliminary Proposal Requirements for the Summer 2026 Indexed REC RFP. The Preliminary Proposal Requirements provide an overview of the proposal submission process and draft requirements to qualify projects under the RFP. For convenience of stakeholders, a redline showing changes between the draft contract proposed and the contract used in the prior procurement event held in Fall 2025 has also been posted.

The Procurement Administrator invites stakeholder feedback on any aspect of the posted documents as well as on three specified topics. *Topic 1 (Surety Bonds)*, *Topic 2 (Impacts of H.R. 1)*, and *Topic 3 (General Feedback on Improvements)* are listed in Appendix A, accompanied by specific questions on which feedback is sought. Commenters need not respond to every question (some may not be applicable) and commenters should not feel limited by these questions in providing feedback. A single round of written comments has been planned to finalize the Summer 2026 Indexed REC RFP Rules and Indexed REC Contract.

Comments are welcome from any interested party. To facilitate the reviewer’s understanding and consideration of the comments, stakeholders are strongly encouraged to provide comments in the form of redlines against the posted documents along with explanatory notes either in a separate document or highlighted in tracked changes.

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The timeline and process for interested parties to provide comments are as follows:

- Please submit an attachment with your comments on the Draft Indexed REC Contract and the Preliminary Proposal Requirements by email to the Procurement Administrator at: Illinois-RFP@nera.com
- Please provide telephone and e-mail contact information in the event that the Procurement Administrator seeks clarification regarding your comments.
- If providing feedback on the Draft Indexed REC Contract, please submit your comments with track changes in Microsoft Word. We strongly encourage you to provide explanatory notes either in a separate document or highlighted in tracked changes.
- If providing feedback on the Preliminary Proposal Requirements, please include a reference to the paragraph number of section name, from the left-hand column of the respective table, that is applicable to the requirement for which you are providing comment(s).

The deadline to provide written comments is on March 23, 2026 and all comments should be sent to Illinois-RFP@nera.com.

In general, responses will be made public and published on the Procurement Administrator's website (www.ipa-energyrfp.com). However, should a commenter seek to designate any portion of its response as confidential, that commenter should provide both public and redacted versions. Independent of that designation, if the IPA or the Procurement Administrator determines that a response contains confidential information that should not be disclosed in connection with a competitive procurement event, it reserves the right to provide its own redactions.

Some elements of the Indexed REC RFP are prescribed by Public Act 102-0662 and the 2026 Long-Term Plan and cannot be changed.

Please direct all questions to the Procurement Administrator at: Illinois-RFP@nera.com

Appendix A

TOPIC 1: Surety Bonds

A Seller with a bid identified as a winning bid that has been approved by the Commission is required to meet the creditworthiness requirements under the Indexed REC Contract in the form of performance assurance collateral. New for the Summer 2026 RFP, Sellers have the option to post performance assurance collateral for a winning Project in the form of a Surety Bond. This is a new option in addition to using either a letter of credit or cash. The draft Indexed REC Contract includes, as Exhibit E-6, a standard Form of Surety Bond for a company that may be used to post such Performance Assurance. Surety bonds may not be used for the purposes of posting bid assurance collateral, which is due with the Part 2 Proposal.

Questions:

1. Please provide feedback on any aspect of the Form of Surety Bond provided as Exhibit E-6 to the draft Indexed REC Contract.
2. Under the draft Indexed REC Contract, only electronically issued Surety Bonds may be posted as performance assurance collateral.
 - Would you be more likely to post a Surety Bond as performance assurance if hardcopy forms were also acceptable?
3. Would you consider posting performance assurance collateral in the form of a Surety Bond? Why or why not? Please provide any other feedback or suggestions for the use of Surety Bonds as collateral.

Topic 2: *Impacts of H.R. 1*

H.R. 1, enacted on July 4, 2025, and subsequent guidance released by the federal government modified the development timelines and rules for renewable projects to be eligible to receive the Investment Tax Credit (“ITC”) and Production Tax Credit (“PTC”) federal tax benefits. The safe harbor deadlines require projects to begin construction by July 4, 2026 or alternatively be placed in service by December 31, 2027. New Foreign Entity of Concern (“FEOC”) rules place restrictions on the origin of manufactured products used by such projects. These changes have created significant uncertainty as to whether a Project will be eligible for the ITC or PTC.

Questions:

1. Beginning with the Summer 2025 Indexed REC RFP, Section 11.3 Investment Tax Credit (ITC), Production Tax Credit (PTC) or Clean Electricity Investment Credit Contingency was added to the Indexed REC Contract. This contract term has been maintained for the Fall 2025 and Summer 2026 Indexed REC RFPs. The intent of this term is to protect Sellers from potential future changes to the availability of investment tax credits or other such clean electricity investment credits used to develop projects participating in the upcoming procurement. Relief under Section 11.3 is intended to address bona fide and material changes in ITC or PTC eligibility arising from government actions occurring after contract execution.
 - a. Does Section 11.3 provide sufficient protection for Sellers from potential future changes? Why or why not? What are the current unknowns for whether a Project will receive the ITC and PTC federal tax benefits?
2. What other uncertainties stemming from H.R. 1 or other government actions can and should be addressed by the Indexed REC Contract? Are there contract terms currently in use to address such uncertainties? If so, please provide available samples.
3. What strategies are developers employing to increase the availability of federal tax benefits for projects? Are there changes to the Indexed REC procurement process or the Indexed REC Contract that can support such strategies?

TOPIC 3: General Feedback on Improvements

The Fall 2025 Indexed REC RFP was held on December 10, 2025. The quantities to be procured were 2,963,078 RECs to be delivered annually from either new utility-scale wind, new hydropower projects at an existing dam, or modernized or retooled hydropower projects at an existing dam; 666,666 RECs to be delivered annually from new utility-scale solar projects; and 176,271 RECs delivered annually from new brownfield site photovoltaic projects. The results of the Fall 2025 Indexed REC RFP can be found [here](#).

The target for RECs from brownfield site photovoltaic projects was not met in the Fall 2025 procurement event. Thus, the IPA and the Procurement Administrator are seeking stakeholder feedback on improvements to consider for the upcoming Summer 2026 procurement to facilitate participation.

Questions:

1. Are there specific eligibility requirements or procurement processes that are overly prohibitive for a Technology? Please explain.
2. Please provide feedback for improvements to the procurement requirements for any Technology.
3. How did you learn about the Indexed REC RFP opportunity? Are there other venues or mediums through which information could have been published that would have made it easier for you to learn about the procurement event?