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Pine Gate Renewables' Response to Illinois Power Agency's Request for Stakeholder Feedback on Structure of Spring 2022 Procurement

December 17, 2021

On December 6, 2021 the Illinois Power Agency (IPA) posted Preliminary Proposal Requirements and Draft Key Contract Terms for the Spring 2022 procurement. The IPA invited comments on any of the documents it posted. Specifically, the Stakeholder Feedback Request contains six topics for comment.

Pine Gate Renewables' response addresses Topic 6, section a.ii, which reads:

Please comment on the application of the annual payment cap described above. If there are additional potential drawbacks to this proposal that should be considered, please explain in detail. If there are improvements that should be considered, please explain in detail, noting the need to maintain consistency with governing law.

The comment follows:

Indexed REC contracts have utility only insofar as they can effectively smooth the revenue profile of a given renewable energy project. If they are effective at this task, then they have the potential to make a wide variety of projects feasible. As it stands, the proposal to introduce a price cap undermines the purpose of offering an indexed REC product in the first place.

Pine Gate Renewables holds that any REC contracts that are settled on an ongoing basis should not be subject to premature termination. Such a possibility shifts too much risk to project developers, owners, and financiers, and threatens to hamper the utility decarbonization goals at the heart of this legislation.

Thank you for your consideration.

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