

**[Committer 15]**

**Comments on Draft  
ISC Contract and  
Preliminary  
Proposal  
Requirements**

**From:** [Commenter 15]  
**Sent:** Tues 6/16/2026 7:55 AM  
**To:** Illinois-RFP <Illinois-RFP@nera.com>  
**Subject:** [Commenter 15] feedback on Final Draft ISC documents - Corrected

Good morning,

Apologies for the late submission. The comments I sent last night contained an incomplete sentence. This version corrects that error. Please use this version instead.

Thank you,

[Commenter 15]

**From:** [Commenter 15]  
**Sent:** Mon 6/15/2026 7:23 PM  
**To:** Illinois-RFP <Illinois-RFP@nera.com>  
**Subject:** [Commenter 15] feedback on Final Draft ISC documents

Please find attached [Commenter 15] comments on the final draft indexed-storage contract documents.

Thank you for this opportunity to provide this feedback. We look forward to seeing your response.

Best,

[Commenter 15]

# Illinois Indexed Storage Contract

## Comments on draft final contract

June 15, 2026

Submitted by: [Commenter 15]

[Commenter 15] appreciates the opportunity to provide feedback on the Final Draft Indexed Storage Credit contract and Final Draft Proposal Requirements issued by the IPA and NERA (Collectively, “the Agencies”) on June 1, 2026. We appreciate the work that the Agencies have put into setting up Illinois for success in this initial energy storage procurement process.

[Commenter 15 information]. As such, [Commenter 15] have a substantial interest in this draft contract’s terms and conditions and [Redacted] certain contract terms may significantly impact whether developers are able to submit project proposals in this procurement. Thus, in the interest of ensuring a robust response to the RFP that reaches the most cost-effective project proposals, [Commenter 15] requests the Agencies to give these comments due consideration.

In addition to the topics specified in the request for feedback, [Commenter 15] notes that IPA declined to adopt our suggested changes to the draft contract language in many instances. While we appreciate adjustments that were made in [Redacted] last round of comments, [Commenter 15] highlights here additional changes that remain to be addressed that [Commenter 15] view as important to ensure a successful procurement. If the Agencies do not adopt changes addressing these items, [Commenter 15] requests a response so we can better understand the Agencies’ reasoning.

### **1. Labor standards**

The Labor Peace Agreement (LPA) requirement should not apply to in-house managers of the project developer. [Commenter 15] appreciates that the Agencies have clarified in the Definitions section of the Draft ISC contract that “the Labor Peace Agreement shall apply to employees that are working at the Project site only and shall exclude employees that may be off-site.” However, [Commenter 15] requested additional clarification to ensure that one category of on-site workers not be covered under the LPA—“on-site managers, contractors, or professional services and consulting *not involving manual construction labor.*” Unfortunately, the Agencies did not accept this edit, leaving the LPA inappropriately applicable to these workers. The reason [Commenter 15] is asking for this small change is to reflect the fact that, increasingly, there are a variety of different in-house employees expected to monitor operations on-site during a battery storage project’s life that are not typically part of a union—for example, employees who are: i) performing

testing or commissioning on the system; ii) updating radio or signage; iii) supporting SCADA and communications; iv) designing the system; and v) providing on-site management or supervisory services. Oftentimes these workers are in-house employees of the project developer.

An LPA is generally an arrangement between an employer and a union. Therefore, *the ISC contract should make clear that the LPA requirement only applies to workers engaged in manual construction labor.* [Commenter 15] recommends adding the additional clarification previously suggested that “The Labor Peace Agreement does not apply to on-site managers, contractors, or professional services and consulting not involving manual construction labor.”

## **2. Event of default for violation of a Project Labor Agreement or a Labor Peace Agreement should be revised.**

Financial penalties in section 2.2(h) of the contract requiring return of all payments made under the contract are disproportionately severe and could render a project unfinanceable. Damages should represent buyer’s cost to replace lost capacity from the project for the remainder of the term. See previous comments for [Commenter 15]’s preferred approach.

## **3. COD extensions**

Timelines for interconnection are currently causing significant delays in project development in both MISO and PJM. While [Commenter 15] recognizes that COD timelines are specified in statute, we are concerned that the timelines currently projected for interconnection of projects, especially in PJM/ComEd, will present significant barriers to projects meeting the December 31, 2030 timeline. Standalone storage projects currently participating in the PJM interconnection process in ComEd’s territory are limited; anything not already in the queue will be unable to meet the timeline altogether. Projects in the Transition Cycle 2 have received facility studies showing extremely long timelines for interconnection going beyond 2031. This leaves only two eligible projects in the PJM queue eligible to participate in this procurement. Similarly, interconnection studies in MISO are seeing unpredictable delays for every study phase and additional delays to interconnection timelines.

Given the statutory timelines, [Commenter 15] encourages the IPA to work with ComEd and Ameren to ensure that interconnection upgrades can be completed in a timely manner to accommodate any selected projects. Alternatively, contractual safeguards to appropriately share risk of delays caused by interconnection should be considered. (See [Commenter 15] previous comments on section 2.3 (a)(i).) Similarly, risk relating to local permit denials or excessive interconnection costs should be shared as is done under the

Illinois Shares program. See [Committer 15] previous comments on contract section 2.4(a).

#### 4. Access to Network Integration Transmission Service (NITS)

MISO's unique policy of requiring storage systems to obtain and pay for transmission service when charging is the subject of ongoing discussions at MISO, and stakeholders are optimistic that the issue will be resolved before the anticipated COD of projects under this procurement. (See MISO's issue dashboard on this topic, here:

<https://www.misoenergy.org/engage/MISO-Dashboard/transmission-service-requirements-for-charging-electric-storage-resources-from-the-grid/>) However, resolution is not guaranteed. Ensuring that sellers can access NITS and avoid costly alternatives will lower strike price offers and result in ratepayer savings.

Notably, information presented at a MISO storage forum last year shows the impacts of these fees on storage resources are substantial:

**Snowshoe**, a 150 MW / 600 MWh Spearmint battery in DPP 2022 and the first stand-alone BESS to gain site permit approval from the Minnesota PUC, is a useful case-study to demonstrate the prohibitive costs of transmission fees.

- **Snowshoe** is located in the **Southern Minnesota Municipal Power Agency** (Zone 20 in the OATT).
- According to the OATT, the rate for both firm (Schedule 7) and non-firm (Schedule 8) point-to-point transmission in Zone 20 is \$3,750 / MW-month.
- A full charge of our 150 MW battery would therefore cost  $[150 \text{ MW} * \$3,750] =$  **\$562,500 per month in transmission fees.**
- Even assuming Snowshoe could extract 10% state of charge each day from regulation or down-ramping ancillary services, we would still be paying ~ \$500,000 in monthly XM fees with firm or non-firm P2P transmission.
- Zone 20 has one of the lowest transmission fee rates in MISO. A 150 MW battery in ITC Midwest (Zone 3, Schedule 7 and Schedule 8 rates of \$12,599 / MW-month) paying firm or non-firm P2P would incur **\$1,889,850 per month in transmission fees.**
- Transmission fees of this magnitude would undermine financial viability of storage resource investment in MISO.
- Transmission fees for charging also create redundant costs; customers who purchase wholesale power are already paying for transmission service and would be paying for it twice if their power came from a storage resource that, itself, was forced to pay for transmission service.

For this reason, [Committer 15] requests reconsideration of inclusion of [Committer 15]'s proposed language, previously provided as proposed section 15.8 of the contract.

#### 5. Capacity Accreditation

The ISC payment formula assumes capacity value through the ISC Reference Capacity Price, despite Section 2.10 allowing Seller not to participate in the relevant RTO capacity markets and does not protect against delays that prevent capacity accreditation or market participation. The Agreement should ensure that the synthetic capacity value is not attributed when the Seller cannot earn corresponding capacity revenues due to non-participation or transmission-related delays outside its control (such as Network Upgrades or Affected Systems-related delays).

## **6. Augmentation and Operational Flexibility**

The Agreement establishes long-term operational requirements, including four-hour duration and minimum round-trip efficiency standards, but does not expressly address battery augmentation rights. [Commenter 15] recommends that the Agreement explicitly recognize augmentation as a permitted maintenance and reliability activity and provide greater flexibility for project operators to preserve performance over the contract term.

Additionally, improvements resulting from augmentation or operational enhancements should receive treatment comparable to degradation (i.e. if Contract Capacity can be reduced when performance declines, it should also be eligible for upward adjustment when performance improves).

## **7. Operational Requirements**

Section 2.5(c)(ii) requires continuous discharge at full Initial Contract Capacity, leaving no allowance for normal plant control tolerances needed to avoid exceeding interconnection limits. A modest operational tolerance (such as 0.3 MW) would better reflect real-world battery operations without materially reducing project performance or program value.

Section 2.5(c)(iii) requires a round-trip efficiency (RTE) of at least 85%, with a cure period of 90 days from COD. Requiring satisfaction of the round-trip efficiency standard as a condition of Commercial Operation Date is unnecessary. Storage projects are already commercially incentivized to improve round-trip efficiency in order to meet daily energy arbitrage requirements. Similarly, establishing an event of default condition for failure to meet RTE creates an unreasonable risk for financing where market incentives already exist to remedy the problem. [Commenter 15] recommends removing RTE as an operational requirement at COD and on an ongoing basis under Section 2.6(a)(iii) of the contract.

Section 2.6(a)(iv) imposes a minimum availability of 4,320 hours per delivery year. However, serial defects can occur for reasons outside a developer's control and may take longer than six months to correct. The current structure therefore creates a risk that is not commercially reasonable or financeable. [Commenter 15] recommends replacing the

current standard with a minimum operational requirement of 8,640 hours per consecutive delivery years rather than the current 4,320-hours per year framework.

## **8. Other Disclosures**

Section 5.7 requires disclosure of commercial arrangements that may be subject to confidentiality obligations owed to third parties. The Agreement should allow compliance through redacted or summary disclosures and expressly recognize existing contractual confidentiality restrictions.

## **9. Charging Energy Transmission**

The Agreement places all risk associated with charging energy transmission requirements on the Seller, even though a stand-alone battery has no generation source and may be unable to charge if MISO imposes additional transmission service requirements. The Agreement should provide risk-sharing or relief mechanisms where transmission-related requirements materially impair the project's ability to charge and operate as intended.

## **10. Tariff Approval**

Section 5.4 conditions Buyer's payment obligation on its ability to recover costs through approved tariffs or alternative regulatory mechanisms, effectively shifting regulatory approval risk to Seller. The Agreement should provide clear off-ramps or other remedies if cost recovery approval is denied, delayed, or otherwise unavailable.

## **11. Topics identified in IPA's request for feedback:**

### Topic 2: Performance Assurance

[Commenter 15] appreciates the changes IPA has proposed to the draft contract relating to performance assurance. The proposed step-down amounts and timeframe are reasonable.

However, [Commenter 15] remains concerned about the additional, pre-award "bid assurance" requirement. Despite several parties weighing in on the bid assurance requirement being a unique and overly burdensome hurdle for participation in the Illinois procurement, the requirement was not reduced or removed. [Commenter 15] encourages the Agencies to reconsider this requirement.

### Topic 3: Commercial Readiness

The requirement to show prior experience developing projects that are at least 20 MW is appropriate. [Commenter 15] further believes that experience developing storage projects would also be prudent. [Redacted], experience developing storage projects is important as storage development presents specific challenges that are distinct from developing other

types of projects. Other commenters also noted that experience with storage project development is an appropriate and important prerequisite, and [Commenter 15] has provided examples from other programs that also view this as a necessity. Additionally, CRGA explicitly contemplates consideration of “the developer’s experience” as a component of the bid selection process, in addition to CRGA’s requirements relating to commercial readiness. 20 ILCS 1-75 (d-20)(2)(b)(ii). [Commenter 15] believes that it is well within the agency’s authority to request information relating to a bidder’s or seller’s experience with developing storage specifically and to consider that information and experience in awarding projects in this first procurement.

[Commenter 15] appreciates the clarification provided in Section 3.2 of the June 1 Draft RFP that a Bidder can be a parent or an “affiliate” of the Seller. However, in order for this clarification to be effective and complete, it must also be reflected in the Commercial Readiness language in Section 6. [Redacted], many developers utilize project-level LLCs for development purposes. The April 22 Draft RFP’s combination of requirements that i) the Bidder must be the same for all projects a company submits and ii) Bidder must be the parent of the Seller (or the same as the Seller) makes it impossible for an individual project level entity to act as the Bidder and Seller if a company submits more than one project to the RFP. Instead of requiring the Bidder to be the parent of the Seller, allowing the Bidder to be an affiliate of the Seller is far less restrictive.

The same logic holds true for the Commercial Readiness requirements. That section requires “evidence a single entity, either the Seller or the Bidder, has notice to proceed in owning or operating energy facilities...” Under the current terms of the RFP and ISC Contract, the Bidder must be the entity submitting the proposals and the Seller must be the entity signing the contract. Because of these strict definitions, we expect both the Bidder and the Seller to be subsidiaries of the relevant storage developer, which on their own would not generally satisfy the commercial readiness requirement. To ensure all relevant experience is captured, we recommend clarifying that this requirement can be satisfied by "either the Seller or the Bidder, or a parent or affiliate to the Seller and/or Bidder”