[Commenter 15]

Comments on Draft ISC Contract and Preliminary Proposal Requirements

From: [Commenter 15]
Sent: Wed 5/13/2026 7:52 PM
To: Illinois-RFP <Illinois-RFP@nera.com>
Subject: [Commenter 15] - Comments on Energy Storage Procurement

Attached please find comments from [Commenter 15] on the energy storage procurement program design.

[Commenter 15]

[redacted]

May 13, 2026

Illinois Power Agency

Attn: Energy Storage Procurement Administrator

Re: Round 1 Comments to the Energy Storage Procurement Process and ISC Contract

IPA Storage Procurement Team,

[redacted] welcomes the opportunity to submit Round 1 comments to the Illinois IPA regarding its draft energy storage procurement proposal requirements and ISC Contract.

Bid Evaluations Process

- Section 5
    - 5.1
        - We recommend allowing more than 1 bid per project so that multiple volumes of megawatts within the same project may be bid
    - 5.2
        - We recommend the IPA not commit to only choosing projects in order of strike price. This may force the IPA to select projects that are not as attractive on a non-price basis (permitting viability, interconnection maturity etc.) Project viability due to the maturity of the development process is a critical factor in ensuring that Illinois meets its energy storage targets and the first phase of this program is success. Utility RFPs across the country rely on a mixed scoring of quantitative (price) and qualitative factors in selecting a lowest price, best fit resource. There is usually a 70-80% weighting on the price and a 20-30% weighting on the qualitative factors which often include schedule, development viability, location, and environmental and community impact factors.
        - We recommend the IPA not commit to only over-procuring by 50%. It would be an unfortunate outcome if a project that would otherwise be attractive to the IPA and ratepayers was not selected because of this over-procurement cap. Some projects in the interconnection queues in MISO and PJM are quite large, and if the IPA is forced not to select certain viable and price-competitive projects due to this cap, it will be a loss for the State and ratepayers. Giving the IPA the maximum amount of flexibility to select bids is the best route here.

Topic 1: Commercial Readiness

- Section 6
    - Project Team

- We believe that it is prudent to require the Bidder to be an Affiliate of the Seller. However, requiring the Seller to be a parent of the bidder is too restrictive, given the complexity of certain corporate structures in the energy development industry. The term "Affiliate" is broader but still captures the intent of the requirement.

- Commercial Readiness
  - We recommend that the threshold be having projects in commercial operation, not simply having achieved Notice-To-Proceed.
  - We recommend limiting experience to the US, as a demonstration of experience operating in US energy and capacity markets and navigating the interconnection system is a key element in the viability of the counterparty. We do not believe that limiting experience to the PJM or MISO region is necessary as that would limit the project pool too much, but it should be a beneficial factor in the bid evaluation process.
  - We recommend that limiting participation to bidders who have built energy storage projects would be prudent. Energy storage projects require technology specific experience around development, procurement, construction, commissioning and market operations in order to be successful. This experience will be critical in ensuring that the first projects procured through this program are completed on time so that Illinois can start to make headway towards its storage procurement targets.

- Basic Project Information
  - We recommend requiring bidders to provide substantial evidence that projects can meet the EOY 2029 or 2030 requirement. We recommend limiting eligible projects to those with queue positions in Transition Cycle 2 or earlier, or in a CIR transfer or other non-queued process, for FERC-jurisdictional projects. By the bid date, no other later-queued projects (i.e. those submitting to Cycle 1) will have received a Phase 1 study, which means that they cannot represent that they do not have a cost allocation for network upgrades that would certainly push their CODs beyond the EOY 2029 or 2030 dates. Any project submitting in Cycle 1 in PJM will not have an interconnection agreement signed until May of 2028. That makes EOY 2029 viability very unlikely, even without network upgrades. Additionally, any project that must construct its own ring bus and/or contributes to any network upgrades (i.e. line reconductoring) will certainly not be able to meet the 2030 target given the construction timelines that have been quoted in recent studies for those scopes of work. For these reasons, we believe that it is prudent to limit eligible projects to those with study results in TC2 or earlier or be in a CIR transfer process outside of the cluster study process.

[redacted]

Topic 2: Bid Assurance Collateral

- Section 6
    - The $20k bid assurance collateral seems appropriate, but we recommend also allowing parent guarantees and surety bonds as acceptable collateral instruments.

Topic 3: Performance Assurance Collateral

- Section 6
    - The $50k performance assurance collateral seems appropriate, but we recommend also allowing parent guarantees and surety bonds as acceptable collateral instruments.

Topic 4: Double Payment

- We are still evaluating this and will submit comments in Round 2

Topic 5: Labor Peace Agreement

- We are still evaluating this and will submit comments in Round 2

Topic 6: Hourly Availability Report

- We are still evaluating this and will submit comments in Round 2

Topic 7: ELCC Floor

- The goal of the ISC product is to provide missing money to projects to help them meet a definitive revenue floor, net of realized capacity payments. The floating nature of the ELCC methodology means that capacity payments from PJM are uncertain both due to the ELCC value as well as the capacity clearing price. We believe that creating an ELCC floor in the ISC contract distorts the price signal. We recommend that the ISC reference capacity price should reflect the actual realized ELCC value in order to accurately reflect what projects are getting paid by PJM.

ISC Contract

- We are still evaluating this and will submit comments in Round 2

[redacted]

We are happy to respond to questions about these comments. Any inquiries can be directed to [redacted] at the contact information noted below. And we look forward to providing further comments on the contract and other topics in Round 2 once we have completed a more fulsome evaluation of these materials.

Best Regards,

[redacted]