

**[Commenter 1]**

**Comments on Benchmark  
Categories of Inputs,  
Assumptions and Data  
Sources**

**From:** [Commenter 1]

**Sent:** Wednesday, April 24, 2024 6:03 PM

**To:** Illinois-RFP <Illinois-RFP@nera.com>

**Subject:** [Commenter 1] Response to IPA's Invitation to Comment on Benchmark Categories

Hello,

Attached you will find [Commenter 1]'s response to the IPA's request for feedback on benchmark categories of inputs, assumptions, and data sources.

The categories of project for which these comments apply are utility-scale wind projects (projects over 5 MW), new utility-scale solar projects (projects over 5 MW), and new brownfield site photovoltaic projects.

If you have any questions, feel free to contact [Commenter 1's contact information].

Thank you for the opportunity to submit these comments.

Respectfully,

[Commenter 1]

[Commenter 1's contact information]



**Response to the Illinois Power Agency's  
Request for Stakeholder Feedback on Benchmark Categories of Inputs, Assumptions and Data  
Sources**

[REDACTED] sincerely appreciate the Illinois Power Agency's (IPA) invitation for stakeholder feedback and public comment on benchmark categories of inputs, assumptions, and data sources.

[REDACTED].

**What categories of cost, revenue, and other inputs and assumptions should be considered in benchmark development?**

In developing benchmark pricing, it is crucial to account for increased finance cost assumptions based on the non-payment risk associated with these contracts and the uncertainty around the Renewable Portfolio Standard (RPS) budget. The RPS targets and the structure of the Indexed REC contract itself put this budget at risk, which could significantly impact the financing costs and viability of projects. As such, benchmark pricing needs to realistically reflect these heightened risk factors to ensure fair and sustainable outcomes for all parties involved.

Additionally, it would be worthwhile for the (IPA) to consider leveraging its statutory authority to request more specific, confidential information from renewable energy developers. This "benchmarking the benchmark" approach could involve gathering data on price ranges for key project components, identification of major cost drivers, and the specific market price indicators utilized in project pricing models. Developers could provide insights on industry-standard market reports, such as those from Edison and Level10, which are commonly used for pricing assumptions. By tapping into this developer data, the IPA can strengthen its benchmarking methodology and develop more accurate, market-reflective pricing assumptions.

**What data sources should be used to ensure the most relevant, up-to-date market information is used for benchmark development? Please provide links to any data sources and include information as to whether the information is publicly available or behind a paywall.**


The Illinois Power Agency (IPA) should be commended for its comprehensive approach and improvements to benchmark development. To ensure benchmark pricing reflects the most current and relevant market realities, the IPA should consider a diverse array of data sources spanning publicly available information and proprietary industry reports. While the IPA has already outlined a comprehensive list of potential data sources, a few additional recommendations include:



Leveraging pricing data from the U.S. Bureau of Labor Statistics for key construction materials like cement, steel, transformers, and other components critical to project development. This public data (available at [www.bls.gov](http://www.bls.gov)) can provide valuable insights into fluctuating materials costs. Developers can also provide transparency into major cost drivers impacting their pricing models, including Project Labor Agreements (PLAs) and compliance with Illinois' new Minimum Equity Standards (MES) for renewable projects. By synthesizing publicly available information with proprietary, industry-specific data directly from developers, the IPA can construct a rigorous benchmark that accurately reflects the market.

**Please provide your comments and insights on any category of cost, input (specific numbers or categories of inputs, for example), and/or assumption and how it impacts current project development costs in Illinois or an adjacent state.**

We appreciate the continued improvements in the development of a fair, accurate, and competitive benchmark price that is responsive to changing market dynamics. As we have noted for many years, for these competitive procurements to be successful, the IPA must keep forefront in its mind that demand for clean energy projects located in or near Illinois is larger than the supply of those projects. An indexed REC contract through the IPA is only one of several paths to commercialize a utility-scale wind or solar project and contracts with other counterparties typically offer more certainty in revenue and flexibility in terms.

 support the labor and workforce standards established by CEJA, it is imperative that the IPA continue to recognize and incorporate these unique cost drivers into their benchmark price. We anticipate that these standards, coupled with the indexed REC contract's rigidity and risk of another RPS budget shortfall, will continue to place upward pressure on the IPA's benchmark price.

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Thank you again for the opportunity to submit these comments.

Sincerely,

