

[Commenter 1]
Comments on First Draft
Indexed REC Contract

From: [Commenter 1]

Sent: Tuesday, March 7, 2023 11:02 PM

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

Subject: Comments on Draft Summer 2023 Indexed REC Procurement documents

Hello,

I am commenting on the Draft Preliminary Proposal Requirements and First Draft Indexed REC Contract for the Summer 2023 Indexed REC Procurement, as published by the IPA and its Procurement Administrator on March 3, 2023.

I am writing solely in my personal capacity, not on behalf of any entity, and I haven't discussed or shared these comments with anyone. My comments are intended to address issues of clarity and administrability.

In the **Draft Preliminary Proposal Requirements**:

I.

In paragraph 2.18 on pages 7-8, there is no formula stated for a bid price adjustment for evaluation purposes in the event of each of (i) a supra-minimum Equity Eligible Commitment or (ii) an Energy Transition Community Grant (ETCG) eligible community-located project. Presumably, these would follow methodologies described at pages 118-119 of the 2022 Long-Term Renewable Resources Procurement Plan (LTRRPP) (as was reflected, for the first of those two issues, in the Fall 2022 Indexed REC Procurement's documents). That could be indicated in the next draft of the Indexed REC RFP Rules.

II.

Also (although I was admittedly not paying attention to this issue when the Fall 2022 Indexed REC Procurement's documents were published), I note that in the Fall 2022 RFP documents, *e.g.* the Indexed REC RFP Process and Rules (https://ipa-energyrfp.com/wp-content/uploads/2022/10/Indexed-REC-RFP_Process-and-Rules_07-OCT-2022_posted.pdf at pages 8 and 89-90) and its Appendix 15 (https://ipa-energyrfp.com/wp-content/uploads/2022/11/15_Indexed-REC-Evaluation-Process_01-NOV-2022-posted.pdf), the following point from page 119 of the 2022 LTRRPP -- "this adjustment would only be used for bid evaluation, not the resulting contracted strike price" did not seem to be clearly expressed (although the definition of "Strike Price" in the Fall 2022 Indexed REC contract suggests that provision certainly was implemented). For absolute clarity, that quoted provision could be indicated in the Summer 2023 procurement's RFP Rules documents.

III.

Paragraphs 2.18 at page 7 and 3.1 at page 12 speak of identifying projects "located entirely within an Energy Transition Community Grant community." This language echoes similar language from page 118 of the 2022 LTRRPP. In turn, that echoed language from § 1-75(c)(1)(P) of the IPA Act, which speaks of optimizing procurement of RECs from "projects that are located in communities eligible to receive" Energy Transition Community Grants (ETCG), as described in Section 10-20 of the Energy Community Reinvestment Act (ECRA). And in turn, the ECRA at § 10-20(c) speaks of "communities eligible to receive these grants," which is defined based on certain types of "areas" where power plants or coal mines have closed or will close. But the "**communities**" and "**areas**" phrasings facially, without more information, may not offer the geographic precision needed to identify a project

"entirely located within the boundary of the [ETCG] community" (Draft Prelim. Proposal Requirements, p. 12). (For example, in this March 6, 2023 document - <https://www.illinoisfa.com/app/uploads/2023/03/Final-Residential-Solar-Pilot-Design-combined.pdf> -- "community" is interpreted (pp.4-5) by IPA, in a different context, and not unreasonably in my opinion, to potentially mean multiple types of geographies.) As one possible clarifying approach (among others), the IPA could refer to a recent publication by the Illinois Dept. of Commerce and Economic Opportunity (DCEO) (<https://www.illinois.gov/news/press-release.25805.html>, December 16, 2022) in which the DCEO identified a list of 22 "eligible communities" (specific counties or municipalities) for the ETCG program. DCEO also suggested therein that they might add additional "eligible communities" to their list later. Subsequently, on March 7, 2023, DCEO published a list of 50 ETCG awardees (<https://dceo.illinois.gov/news/press-release.26142.html>) that includes mostly public entities (plus one nonprofit). I have not attempted to check whether the 50 awardees are all located within the 22 geographic areas identified in the December 2022 publication, or if DCEO added any new "eligible communities" to the prior set.

In the **First Draft Indexed REC Contract**:

IV.

At Section 1.35, the draft contract defines "Energy Transition Community Grant Area" as "the communities eligible to receive Energy Transition Community Grants pursuant to Section 10-20 of the [ECRA]." Just as (as I discussed above) project **selection** based on uncertain "community" borders could be challenging, contract **administration** based on imprecisely defined geographies could also pose future problems. So, I suggest here that the contractual definition of Energy Transition Community Grant Area be clarified, consistent with the approach taken in the RFP documents, so the exact set of locales can be clearly identified by anyone reading the contract.

Thank you for your consideration,

[Commenter 1]

[Commenter 1's Contact Information]