

[Commenter 2]

**Comments on Draft
Indexed REC Contract**

From: [Commenter 2]

Sent: Friday, April 5, 2024 5:06 PM

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

Cc: [Commenter 2]

Subject: [Commenter 2] Comments on IPA Index REC April 5 2024.xlsx

Hello,

Attached to this email, please find [Commenter 2]'s feedback on the preliminary materials for IPA's Indexed Renewable Energy Credit RFP, released on March 15, 2024.

We thank you for the opportunity to comment and look forward to next steps in the solicitation process. Should you have any questions regarding this submission please reach out to me directly:

[Commenter 2]'s contact information

Thank you very much and have a nice weekend,

[Commenter 2]

Document and Section	Relevant Text	Question/Comment
Draft Contract: Section 5.4 paragraph 3	<p>Buyer is allowed to recover all costs and other amounts incurred under the Agreement from its customers pursuant to a pass-through tariff that is authorized by Section 16-111.5(l) of the Illinois Public Utilities Act (220 ILCS 5/16-111.5(l)) and approved by the ICC. If, for whatever reason, Buyer is not allowed to or cannot recover such costs from its customers through its pass-through tariffs for the payment of RECs Delivered for a Delivery Year, then, Buyer shall provide written notice to Seller of such occurrence and notwithstanding anything to the contrary in the Agreement, Buyer shall not be required to advance payment to Seller for RECs Delivered for the remainder of the Delivery Year and Buyer shall return to Seller within ninety (90) days of the conclusion of such Delivery Year any unpaid RECs that are associated with a Vintage within such Delivery Year. For avoidance of doubt, the foregoing does not excuse Seller's obligation to pay Buyer and to Deliver RECs to Buyer if payment is due Buyer. Any payment for a Delivery Year due Buyer shall be netted against unpaid RECs, if any, for such Delivery Year for which RECs have not been returned to Seller, starting with the unpaid RECs associated with the earliest Vintage first in such Delivery Year; and any such netted unpaid RECs (where a payment is due from Buyer to Seller) shall be considered paid and shall not be returned to Seller. All unpaid RECs shall be returned by Buyer to Seller and any RECs that are returned to Seller pursuant to the foregoing shall be the exclusive property of Seller, to be utilized in Seller's sole discretion</p>	<p>In the event that the Buyer is unable to pay for RECs, the Seller should not be obligated to make any payments to the Buyer. We suggest adding the following language: "In the event that the Buyer is unable to pay for RECs, Seller shall be notified immediately and not be required to make any additional payments or continue to deliver RECs until the payment issue is remedied".</p>
Draft Contract: Section 6.1	<p>Seller shall, on a monthly basis, provide to Buyer and the IPA (i) hourly MWh generation data applicable to the Project and (ii) hourly real time locational marginal prices at the applicable hub indicated in the Product Order (either PJM-NIHUB or MISO-IL) for each calendar month of the Acceptable Vintage Period within five (5) Business Days after the conclusion of such Vintage month. This information provided shall be rounded to the sixth (6th) decimal place and shall be provided in Microsoft Excel format. For purposes of verification, Buyer and the IPA shall be granted read-only access of information for the Project by Seller within PJM Power Meter system or MISO Market Portal, as applicable, within thirty (30) days of: the Effective Date of this Agreement or the Date of First Operation (or the Hydropower Refurbishment Completion Date if the Project is a Hydropower Project that is newly Modernized or Retooled), whichever is later; such data shall be treated and maintained as confidential and proprietary by the IPA and Buyer.</p>	<p>In the event that more granular data than hourly is provided (e.g. PJM 5-min data), please clarify how data should be presented. Should it be a generation-weighted average of the LMP?</p> <p>Please also note that PJM data is not final until 5 business days after the end of the previous month. We suggest extending the due date for monthly reports to either 5 business days after the data is available, or 15 days after the end of previous month.</p> <p>We suggest a minor language change that the data be available "in Microsoft Excel or a format comparative in quality and detail".</p>
Draft Contract: Section 6.4 d	<p>The IPA is the entity responsible for evaluating the submissions of Seller related to the Minimum Equity Standard and for confirming Seller's compliance with the Minimum Equity Standard requirements, and the Parties acknowledge and agree that the IPA shall have the right to request more information from Seller related to the Minimum Equity Standard requirements and to grant waivers or impose remedies should Seller fail to comply with the Minimum Equity Standard or the reporting requirements in this Section 6.4 in accordance with the IPA's long term renewable resources procurement plan as approved by the Illinois Commerce Commission in ICC Docket No. 23-0714. Unless instructed by the IPA and consistent with the IPA's long term renewable resources procurement plan as approved by the Illinois Commerce Commission in ICC Docket No. 23-0714, no other remedies are contemplated under this Agreement for Seller's failure to comply with the Minimum Equity Standard requirements as set forth in this Section 6.4. For avoidance of doubt, if Seller is an Equity Eligible Contractor, then Seller shall be deemed to have met the minimum percentage of the Project Workforce indicated in the Product Order for the Minimum Equity Standard. The foregoing shall apply only if Seller is an Equity Eligible Contractor and this does not apply if Seller relies on a subcontractor that is an Equity Eligible Contractor, but itself is not an Equity Eligible Contractor.</p>	
Preliminary Proposal Requirements: Section 3.1 Location and Site Description	<p>If a Project is located in a state adjacent to Illinois and has been pre-approved by the IPA to be eligible for Illinois RPS compliance based on public interest criteria, the Bidder must provide evidence of this determination</p>	<p>In previous solicitations, IPA has awarded few projects that are located outside of Illinois. Can the IPA please elaborate on IPA's appetite for out of state projects? Can the IPA also add context regarding the pre-approval process, including how long the process is expected to take, when the process should be concluded relative to the bid due date, etc.?</p>