

[Commenter 4]

**Comments on Indexed REC
Contract and Preliminary
Proposal Requirements**

From: [Commenter 4]

Sent: Wednesday, May 7, 2025 9:38 PM

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

Subject: Indexed REC RFP Stakeholder Response - [Commenter 4]

Good evening,

Please see this attached stakeholder response on behalf of [Commenter 4] regarding the 2025 Indexed REC RFP.

Thank you for the opportunity to provide this input.

Sincerely,

[Commenter 4]

[Commenter 4]'s contact information

VIA ELECTRONIC MAIL

Illinois Power Agency

180 N. Wabash Ave., Ste. 500

Chicago, IL 60601

Tel: (312) 793-0263

Email: Illinois-RFP@nera.com, [REDACTED]

Draft Indexed REC Contract and the Preliminary Proposal Requirements

The [REDACTED] advocate for opportunities to go to those who have been historically excluded from the clean energy sector and to those who have been victim of long-term socio-economic discrimination. The [REDACTED] present the following responses to Topic 3 of the Summer 2025 Indexed REC RFP Stakeholder prompt dated April 16th, 2025:

- 1. If you chose not to participate in the Fall 2024 Indexed REC RFP, what factors influenced your decision? For example, were there specific eligibility requirements or procurement processes that affected your decision to participate? Please explain.**

[REDACTED] Response:

[REDACTED] EECs have a challenging time finding work on utility scale projects, not by choice, but because of market limitations. The equity bid adjustment process for utility-scale projects states:

“If in the Part 1 Proposal, the Seller commits to an Equity (%) level for the Project above the Minimum Equity Standard of fourteen percent (14%) and is notified by the Procurement Administrator that all requirements related to such commitment have been met, then the strike price or Forecasted Strike Price for such Project will be reduced by: one percent (1%) times the lowest strike price (which could be a Forecasted Strike Price) for that Category times the ratio of (a) the Equity Level (%) for that Project to (b) fourteen percent (14%).”

In reference to the Agency’s Annual Report for Fiscal Year 2024, participation in this equity bid adjustment process has been limited. The Agency has not seen bidders formally use this preference in Indexed REC procurement events for a number of reasons: a) Including EECs and EEPs on utility scale projects costs more money b) there are barriers for EECs and EEPs to enter union apprenticeships while all utility scale solar projects in Illinois require union labor through Project Labor Agreements, c) EECs are typically smaller, emerging businesses, that do not have the manpower and financial backing to compete with large utility scale contractors.

2. Please provide feedback for improvements to the procurement requirements.

██████████ Response:

Utility scale procurements in Illinois are adding to the Agency's REC budget shortfall and are taking funding opportunities away from smaller DG and CS projects in which EECs and EEPs have an easier timing participating on. Utility scale projects also usually provide energy savings to major offtakers versus providing energy savings to low-income residents. Therefore, during the 2026 Long-Term Plan process, the equity bid adjustment for Indexed REC procurements needs to be strengthened to incentivize participation and inclusion of EECs and EEPs on utility scale solar projects. Instead of implementing the equity bid adjustment if the Seller exceeds the Minimum Equity Standard, the Agency should require an EEC minimum contract percentage. Additionally, the MES for utility scale projects only applies to construction, in contrast to the Illinois Shines program where all project development activities (financing, sales, siting, etc.) are subject to the MES. These project development activities do not require union labor.

██████████ appreciate the Agency for recognizing the ineffectiveness of the current equity bid adjustment. In turn, we offer the following refinement to require a minimum contract percentage allocated to EECs. ██████████ encourage the Agency to explore different varieties of Indexed REC EEC contract minimum mechanisms:

"If a bidder commits to using equity eligible contractors for a percentage of the project's development work or construction work in a year for which the MES is 18%, then that bid's price adjustment shall be based on the ratio of the EEC contract percentage to the 18% minimum."

3. How did you learn about the Indexed REC RFP opportunity? Are there other venues or mediums through which information could have been published that would have made it easier for you to learn about the procurement event?

██████████ Response:

██████████ learned about the equity bid adjustment within the Indexed REC RFP from the 2024 Long-Term Plan, the Agency's Annual Report for Fiscal Year 2024, and the Agency's Equity Accountability System Assessments. Not many EECs are familiar with the Indexed REC RFP process. It would be helpful for the Agency to host quarterly meetings with the EEC community so we can work together to decrease barriers for EEC and EEP participation on utility scale projects.

4. Has the passage of Public Act 103-1066 increased your confidence in the certainty of the RPS Budget? Does this increase the likelihood of your participation in future procurement events?

██████████ Response:

The passage of Public Act 103-1066 has not increased the ██████████ confidence in the certainty of the RPS Budget or participation in future procurement events. Ensuring that existing REC delivery contract holders will continue to receive payment, even if payment obligations are projected to exceed collections authorized under the RPS budget established through the statutory rate impact cap in CEJA, does not provide certainty for the future of the Illinois Shines program and for the future of the EEC category. The IPA is experiencing a budget overrun that will occur in the 2028-2029 delivery year, causing a risk for the Illinois Shines Program to end early. As a result, the Agency will need to reduce program REC prices, limit program capacity, and suspend new REC procurements to ensure existing REC contracts are funded. The EEC community relies on the EEC category in the Illinois Shines Program to maintain successful business practice in the Illinois solar industry. If Illinois Shines Program funding is expended, diverse and disadvantaged businesses will be eliminated from the Illinois solar market. Statutory changes are necessary to ensure that RPS funding is sufficient to meet the state's ambitious goals to become 40% renewable by 2030, 50% renewable by 2040, and 100% clean energy by 2050 while still maintaining commitment to equity. The ICC needs the ability to exceed the statutory rate impact cap in CEJA for the Illinois Shines Program.

██████████ appreciate the Agency for providing us an opportunity to comment. We are thankful for the Agency's support of EEC and EEP opportunity in the Illinois clean energy sector.

Respectfully Submitted,

