

ILLINOIS POWER AGENCY
Indexed REC RFP

Invitation to Comment and Opportunity to Provide Feedback

*The Procurement Administrator invites stakeholder feedback on any aspect of the documents posted on September 22, 2025 (including the **Draft Indexed REC Contract** and the **Preliminary Proposal Requirements**) as well as on three specified topics. Topic 1 (**Strike Price Adjustment Mechanism**), Topic 2 (**Impacts of H.R. 1**), and Topic 3 (**General Feedback on Improvements**) are listed in Appendix A, accompanied by specific questions on which feedback is sought.*

Background

In accordance with Section 16-111.5(b)(5)(ii)(B) of the Public Utilities Act, the IPA filed the 2024 Long-Term Renewable Resources Procurement Plan (“2024 Long-Term Plan”) with the Illinois Commerce Commission (“ICC” or “Commission”) on October 20, 2023. The Commission released a Final Order approving the 2024 Long-Term Plan with modifications on February 20, 2024.¹ The IPA issued a final 2024 Long-Term Plan in accordance with this Commission Order on April 19, 2024.²

On September 12, 2025, the Procurement Administrator scheduled the Fall 2025 Indexed REC RFP to procure renewable energy credits (“RECs”) from new utility-scale wind projects (projects over 5 MW), new utility-scale solar projects (projects over 5 MW), new brownfield site photovoltaic projects, and new hydropower projects at an existing dam or modernized or retooled hydropower projects at an existing dam. The provisional Targets for this procurement event are 2,963,078 RECs delivered annually from either new utility-scale wind or hydropower projects and 176,271 RECs delivered annually from new brownfield site photovoltaic projects.

On August 21, 2025, the Illinois Commerce Commission (“ICC”) granted the reopening of ICC Docket 23-0714 related to the 2024 Long-Term Plan. One item addressed through comments and responses filed in this open proceeding is expanding the procurement quantities for the Fall 2025 Indexed REC RFP, **including adding a procurement quantity for new utility-scale solar projects**. Subject to ICC decision in the proceeding, final procurement quantities for this Fall 2025 Indexed REC RFP and any other changes approved by the ICC are expected to be announced in late October 2025. For more information on the background for the 2024 Long-Term Plan reopening and to review the comments and responses filed in the proceeding (including proposed solar targets), please see the ICC website: <https://www.icc.illinois.gov/docket/P2023-0714/documents>

¹ Docket No. 23-0714, Final Order dated February 20, 2024.

² <https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/final-2024-long-term-renewable-resources-procurement-plan-19-apr-2024.pdf>.

Invitation to Comment

On September 22, 2025, the Procurement Administrator posted the Draft Indexed REC Contract and Preliminary Proposal Requirements for the Fall 2025 Indexed REC RFP. The Preliminary Proposal Requirements provide an overview of the proposal submission process and draft requirements to qualify projects under the RFP. For convenience of stakeholders, a redline showing changes between the draft contract proposed and the contract used in the prior procurement event held in Summer 2025 has also been posted.

A single round of written comments has been planned to finalize the Fall 2025 Indexed REC RFP Rules and Indexed REC Contract. This is the request for the written comments on the draft contract terms, preliminary requirements, and specific questions related to three topics fully described in Appendix A. **Written comments are due by October 6, 2025.**

The Procurement Administrator invites stakeholder feedback on any aspect of the posted documents as well as on three specified topics. *Topic 1 (Strike Price Adjustment Mechanism)*, *Topic 2 (Impacts of H.R. 1)*, and *Topic 3 (General Feedback on Improvements)* are listed in Appendix A, accompanied by specific questions on which feedback is sought. Commenters need not respond to every question (some may not be applicable) and commenters should not feel limited by these questions in providing feedback.

Comments are welcome from any interested party. To facilitate the reviewer's understanding and consideration of the comments, stakeholders are strongly encouraged to provide comments in the form of redlines against the posted documents along with explanatory notes either in a separate document or highlighted in tracked changes.

The timeline and process for interested parties to provide comments are as follows:

- Please submit an attachment with your comments on the Draft Indexed REC Contract and the Preliminary Proposal Requirements by email to the Procurement Administrator at: Illinois-RFP@nera.com
- Please provide telephone and e-mail contact information in the event that the Procurement Administrator seeks clarification regarding your comments.
- If providing feedback on the Draft Indexed REC Contract, please submit your comments with track changes in Microsoft Word. We strongly encourage you to provide explanatory notes either in a separate document or highlighted in tracked changes.
- If providing feedback on the Preliminary Proposal Requirements, please include a reference to the paragraph number of section name, from the left-hand column of the respective table, that is applicable to the requirement for which you are providing comment(s).

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The deadline to provide written comments is on October 6, 2025 and all comments should be sent to Illinois-RFP@nera.com.

In general, responses will be made public and published on the Procurement Administrator's website (www.ipa-energyrfp.com). However, should a commenter seek to designate any portion of its response as confidential, that commenter should provide both public and redacted versions. Independent of that designation, if the IPA or the Procurement Administrator determines that a response contains confidential information that should not be disclosed in connection with a competitive procurement event, it reserves the right to provide its own redactions.

Some elements of the Indexed REC RFP are prescribed by Public Act 102-0662 and the 2024 Long-Term Plan and cannot be changed. Similarly, some elements of the adjustment mechanism described in Topic 1 stem from a compliance filing and cannot be changed.

Please direct all questions to the Procurement Administrator at: Illinois-RFP@nera.com

Appendix A

TOPIC 1: Strike Price Adjustment Mechanism

Bidders may elect to use the optional Strike Price Adjustment Mechanism in the Indexed REC Contract for a winning Project. This election would be made during the procurement process. The Strike Price Adjustment Mechanism aims to reduce risk and cost in bids related to uncertainty in changes in project costs tied to inflation between the point of contract award and when the developer expends the cost. Based on a formula, the Strike Price Adjustment Mechanism adjusts a portion of the strike price attributed to capital expenditure up or down based on the rate of change in prices of component costs and the entirety of the strike price up or down based on the change in interest rates. This is the second procurement event in which this optional mechanism is available to bidders.

The Strike Price Adjustment Mechanism is implemented as follows:

- Three (3) unique formulas to apply to each technology type in the Indexed REC RFP have been developed: a unique formula for utility-scale solar and brownfield site photovoltaic projects (“solar projects”), a unique formula for utility-scale wind projects (“wind projects”), and a unique formula for hydropower projects (“hydro projects”).
- Exhibit G to the draft Indexed REC contract provides three (3) technology-specific formulas, the historical U.S. Bureau of Labor Statistics (“BLS”) indices selected, details for the adjustment calculation, and the adjustment cap.
- Section 2.7 of the draft Indexed REC contract provides that the adjustment is tied to a specific project development milestone and describes details related to determining and verifying this date has been reached. Seller, at its sole discretion, shall elect whether the expected Financial Closing Date or NTP Issuance Date shall be used to set the Adjustment Reference Date.
 - If the actual Financial Closing Date or NTP Issuance Date, as applicable, for the Project occurs less than 6 months from the date for Commission approval, the Project is not eligible for such Strike Price adjustment.
- Paragraph 2.17 of the Preliminary Proposal Requirements explains that a Bidder will indicate its election to use the Strike Price Adjustment Mechanism on the Bid Date.
- Paragraph 2.18 of the Preliminary Proposal Requirements provides the procedure to evaluate “Opt-in Bids” with “Opt-Out Bids” in a procurement event using a Forecast Factor. If the Bidder is electing to opt into the Strike Price Adjustment Mechanism, the Bid will be called an “Opt-in Bid.” If the Bidder is electing to not opt into the Strike Price Adjustment Mechanism, the Bid will be called a “Opt-out Bid.” The Forecast Factor (%) will be provided to Bidders no later than one week prior to the Bid Date.

Additional details on the formula development, indices selected, evaluation procedure and other considerations is available in the Invitation to Comment for the Summer 2025 Indexed REC RFP [here](#).

Questions:

1. Please provide feedback on any aspect of the formulas (i.e. percentage of the strike price that would be adjusted or weights used across the various indices). Please include any suggested improvements to the formulas and provide backup data or documentation when available.
2. Please provide any feedback on the indices selected.
 - Is there a historical index that can be used to measure the change in the cost of solar modules that would be appropriate to use in the solar formula? If not, is PPI by Commodity: All Commodities an appropriate proxy?
3. The evaluation procedure in Paragraph 2.18 of the Preliminary Proposal Requirements explains that Opt-in Bids and Opt-out Bids for a technology will be evaluated together up to the single target for such technology.
 - Please provide any feedback on the evaluation procedure provided in Paragraph 2.18 of the Preliminary Proposal Requirements.
4. An alternative option to evaluating Opt-in Bids and Opt-out Bids together using a forecast would be to either:
 - accept Opt-in Bids and Opt-out Bids in alternating procurement events (i.e. only Opt-in Bids are submitted in procurement events held in the Summer and only Opt-out Bids are submitted in Fall procurement events held in the Fall).
 - use separate targets for Opt-in Bids and Opt-out Bids in a procurement event.

Is one of these alternative options preferred over the proposed approach? Why or why not?

5. Would you consider using the Strike Price Adjustment Mechanism? Why or why not? Please provide any other feedback or suggestions for improvement for the Strike Price Adjustment Mechanism.

Topic 2: Impacts of H.R. 1

H.R. 1, enacted on July 4, 2025, and subsequent guidance released by the federal government modified the development timelines and rules for renewable projects to be eligible to receive the Investment Tax Credit (“ITC”) and Production Tax Credit (“PTC”) federal tax benefits. The safe harbor deadlines require projects to begin construction by July 4, 2026 or alternatively be placed in service by December 31, 2027. New Foreign Entity of Concern (“FEOC”) rules place restrictions on the origin of manufactured products used by such projects. These changes have created significant uncertainty as to whether a Project will be eligible for the ITC or PTC.

Questions:

1. Beginning with the Summer 2025 Indexed REC RFP, Section 11.3 Investment Tax Credit (ITC), Production Tax Credit (PTC) or Clean Electricity Investment Credit Contingency was added to the Indexed REC Contract. This contract term has been maintained for the Fall 2025 Indexed REC RFP. The intent of this term is to protect Sellers from potential future changes to the availability of investment tax credits or other such clean electricity investment credits used to develop projects participating in the upcoming procurement. Relief under Section 11.3 is intended to address bona fide and material changes in ITC or PTC eligibility arising from government actions occurring after contract execution.
 - a. Does Section 11.3 provide sufficient protection for Sellers from potential future changes? Why or why not? What are the current unknowns for whether a Project will receive the ITC and PTC federal tax benefits?
2. What other uncertainties stemming from H.R. 1 or other government actions can and should be addressed by the Indexed REC Contract? Are there contract terms currently in use to address such uncertainties? If so, please provide available samples.
3. What strategies are developers employing to increase the availability of federal tax benefits for projects? Are there changes to the Indexed REC procurement process or the Indexed REC Contract that can support such strategies?

TOPIC 3: Feedback on Potential Improvements to the Indexed REC RFP

The Summer 2025 Indexed REC RFP was held on August 1, 2025. The quantities to be procured were 5,243,684 RECs to be delivered annually from either new utility-scale wind, new hydropower projects at an existing dam, or modernized or retooled hydropower projects at an existing dam; 666,666 RECs to be delivered annually from new utility-scale solar projects; and 222,000 RECs delivered annually from new brownfield site photovoltaic projects. The results of the Summer 2025 Indexed REC RFP can be found [here](#).

The targets for RECs from brownfield site photovoltaic projects, and utility-scale wind or hydropower projects were not met in the Summer 2025 procurement event. In accordance with the IPA's 2024 Long-Term plan, the IPA may request stakeholder feedback after a procurement event that does not meet REC targets to consider changes to the procurement requirements that could be made outside of updating of the Long-Term Plan. Thus, the IPA and the Procurement Administrator are seeking stakeholder feedback on improvements to consider for the upcoming Fall 2025 procurement to facilitate participation.

Questions:

1. Are there specific eligibility requirements or procurement processes that are overly prohibitive? Please explain.
2. Please provide feedback for improvements to the procurement requirements.
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?