



Monday, May 10

Dear Bicameral Energy Policy Negotiators,

As the Illinois legislature takes on the important task of modernizing and reforming the state's energy policies to meet the challenges of the 21<sup>st</sup> century, we write on behalf of large voluntary buyers of renewable energy to respectfully request an amendment to legislation under consideration that will ensure the continued contribution of large customers to meeting the state's clean energy and greenhouse gas reduction goals.

Commercial, industrial, municipal, and institutional customers in Illinois have played an important role in accelerating renewable energy deployment in Illinois. **To date, projects signed by voluntary buyers account for approximately one-third of the roughly 5,000 MW of total wind and solar energy in Illinois.** These companies and institutions have set goals that will bring them to 100% clean energy faster than the state's Renewable Portfolio Standard (RPS) is slated to do. However, if the renewable energy purchases entered into by voluntary buyers are ignored by the RPS, companies that have already entered into contracts will be penalized for their early action in the form of being charged twice for "greening" their operations, and could lead to reduced voluntary renewable energy investment in the future. Just as important, other Illinois ratepayers will miss out on the opportunity to benefit from large buyers' willingness to accelerate the deployment of renewable energy while taking on some of the risk and cost of transitioning to a cleaner grid.

To enable the continued growth of the voluntary renewable energy market in Illinois and avoid punishing early actors, **we respectfully ask that legislators include in any RPS reform legislation an "Accelerated Renewable Energy Buyers" provision** that would:

- **Offer companies a pathway to grow their operations in Illinois** while meeting their clean energy goals faster, bringing jobs and additional renewable energy;
- **Accelerate renewable energy penetration above and beyond RPS targets** and match the consumption of fast-growing electric loads without further state support and without straining the RPS budget;
- **Reduce risk for Illinois ratepayers** by allowing private companies to take on the cost and risk of meeting a portion of the state's clean energy goals;
- **Relieve utilities and state agencies** from the obligation to purchase renewable energy for electricity already covered by voluntary renewable energy purchases;
- **Avoid punishing early actors** for their contributions to renewable energy growth in Illinois; and
- **Support expanded funding for important equity programs** such as the Solar for All Program.

Legislative language that would accomplish these goals is attached, along with descriptive annotations. This language would be appropriately inserted into the RPS portion of the following bills currently under consideration:

- SB 2896 / HB 4074 (Consumers and Climate First Act)
- SB 1718 / HB 804 (Clean Energy Jobs Act)
- SB 1100 / HB 1472 (Climate Union Jobs Act)
- SB 1601 / HB 2640 (Path to 100 Act)

We would welcome the opportunity to discuss this legislative proposal and answer any questions or concerns. Contact information for each of our organizations is included below.

Respectfully,

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## Illinois Accelerated Advanced Energy Buyers Provision

Draft Legislative Language - 4-14-21

(l) The procurement of renewable energy resources and all associated charges under [paragraph (6) of this subsection (c)] for a given delivery year shall be reduced as described in this subparagraph (l) if an Accelerated Renewable Energy Buyer meets the requirements described in this subparagraph (l).

- i. No later than 60 days prior to the start of the applicable delivery year or 15 days after the effective date of this amendatory Act of the XXth General Assembly, whichever is later, a customer shall notify the Illinois Power Agency directly or by way of the applicable utility or alternative retail electricity supplier of its election under subparagraph (l) to participate as an Accelerated Renewable Energy Buyer.
- ii. Such a notice must describe the customer's intent to obtain and retire renewable energy credits, and shall identify the amount of renewable energy credits forecasted to be obtained and retired by or on behalf of the Accelerated Renewable Energy Buyer in the applicable delivery year.
- iii. To be considered eligible under subparagraph (l), renewable energy credits must: (a) come from renewable energy resources as defined in Section 1-10 of the Illinois Power Agency Act; (b) be sourced from one or more renewable energy facilities that comply with the geographic requirements as set forth in Section 1-75(c)(1)(l) of the Illinois Power Agency Act, or, if relevant, the geographic requirements in place at the time the Accelerated Renewable Energy

**Commented [A1]:** Allows a customer to elect treatment under the Accelerated Renewable Energy Buyers provision, in advance of the relevant delivery year

**Commented [A2]:** Requires the customer to indicate the number of RECs they intend to procure and retire for the applicable delivery year

Buyer entered into the applicable renewable energy certificate purchase agreement; (c) be procured through long-term contracts with term lengths of at least ten years; and (d) be retired by or on behalf of the customer seeking to participate as an Accelerated Renewable Energy Buyer.

**Commented [A3]:** Sets the eligibility requirements for renewable energy procured by accelerated buyers, which generally follow the requirements for utility-scale RE in the RPS

iv. Each renewable energy credit procured pursuant to this subsection (l) by an Accelerated Renewable Energy Buyer shall offset a renewable energy credit the Accelerated Renewable Energy Buyer's applicable utility or alternative retail electricity supplier would need to otherwise procure for its respective load requirements pursuant to [paragraph (1) of this subsection (c),] and the renewable energy credits shall not be used by any utility or alternative retail electricity supplier to meet its respective requirements pursuant to [paragraph (1) of this subsection (c)].

**Commented [A4]:** Backs down the utility RPS requirements on a 1:1 basis to account for RECs that accelerated buyers are retiring

v. If the requirements set forth in item (i) through (iii) of this subparagraph (l) are met, for all kWh of the Accelerated Renewable Energy Buyer's aggregate load that are matched annually with renewable energy credits, all the charges that would otherwise be applicable to the Accelerated Renewable Energy Buyer under [paragraph (6) of this subsection (c)] for the applicable delivery year shall be eliminated and replaced with an Accelerated Renewable Energy Buyer Charge as calculated in (v). Aggregate load means the combined electrical load associated with selected accounts of an Accelerated Renewable Energy Buyer with the same legal entity name as, or in the names of affiliated entities that control, are controlled by, or are under common control of, such legal entity or are the names of affiliated entities under a common parent.

**Commented [A5]:** Ensures that accelerated buyers will not be charged for RPS costs they are not causing

- vi. The Accelerated Renewable Energy Buyer Charge shall be equal to (a) the Solar For All Budget divided by (b) the total renewable energy credits forecasted to be procured in the delivery year, including renewable energy credits procured by Accelerated Renewable Energy Buyers under this subsection, and shall be applied on a per kWh basis to an Accelerated Renewable Energy Buyer's aggregate load that is matched annually with renewable energy credits. The Agency shall calculate an applicable Accelerated Renewable Energy Buyer Charge in advance of each applicable delivery year to apply to each qualifying Accelerated Renewable Energy Buyer's bill during the applicable delivery year, which shall be communicated by the Agency to the applicable public utility or alternative retail electric supplier, as applicable, and adjusted following the delivery year as described in item (viii) of this subparagraph (I).
- vii. Within 120 days of the end of the applicable delivery year, an Accelerated Renewable Energy Buyer shall provide a demonstration to the Agency directly or by way of an applicable utility or alternative retail electricity supplier of the number of renewable energy credits that it has retired that meet the criteria in item (iii) of this subparagraph (I). Such a demonstration shall be treated as confidential by the Agency and/or the applicable public utility or alternative retail electric supplier.
- viii. Within 180 days of the end of the applicable delivery year, the Agency shall conduct a true-up to calculate any necessary collection of funds from Accelerated Renewable Energy Buyers, following which any necessary collection shall be communicated by the Agency to the applicable public utility or alternative retail

**Commented [A6]:** Provides for continued funding of Solar for All by Accelerated Renewable Energy Buyers

**Commented [A7]:** Requires that Accelerated Renewable Energy Buyers demonstrate retirement of RECs

energy supplier within 30 days thereafter. Any such true-up shall be based on the following:

**Commented [A8]:** Provides for a true-up of costs and RECs after the applicable delivery year

a. Deviations from the prospective Accelerated Renewable Energy Buyer Charge calculated as described in item (vi) based on the actual Solar for All budget and volume of renewable energy credit retirements for the given delivery year, if any; and

**Commented [A9]:** True-up to ensure accelerated buyers are paying full cost of Solar For All, to the extent anticipated budget deviates from actual

b. Any shortfall of renewable energy credits that the Accelerated Renewable Energy Buyer has demonstrated that it has retired under item (vi) relative to the quantity of renewable energy credits that it intended to retire, as identified in item (ii) of this subparagraph (I).

**Commented [A10]:** True-up to ensure accelerated buyers make up any shortfall in RECs retired relative to the commitment made prior to the delivery year

ix. The Agency may promulgate such rules and regulations as may be necessary to implement the provisions of this subsection, except that the Agency shall not subject an Accelerated Renewable Energy Buyer to additional regulation or oversight outside of the requirements of this Subsection.

**Commented [A11]:** Allows IPA to promulgate any necessary rules and regulations, and clarifies that Accelerated Buyers shall not be subject to any additional regulation outside of this section as a result of electing Accelerated Buyer treatment

On or before [April 1] of each year, the Agency shall annually publish a report on its website that identifies the aggregate amount of renewable energy credits obtained and retired by Accelerated Renewable Energy Buyers under this subparagraph (I), keeping individual customer data confidential.

**Commented [A12]:** Requires annual publication of aggregate accelerated buyer activity