**Section 455.110 Obligation to Procure Renewable Energy Resources**

a) Each RES shall procure cost-effective renewable energy resources in accordance with the requirements of Section 16-115D of the Act.

b) For an RES, the obligation to procure renewable energy resources is expressed in units of electricity (megawatt-hours) and is measured as a percentage of the actual amount of metered electricity supplied to the RES' Illinois retail customers during each compliance year, pursuant to contracts executed or extended after March 15, 2009 (see 220 ILCS 5/16-115D(a)(2), (a)(6), and (g)).

c) For compliance years ending on or before May 31, 2017, the minimum quantity of renewable energy resources to be procured for each compliance year shall be calculated based on the annual percentages set forth in Section 1-75(c)(1) of the IPA Act (see 220 ILCS 5/16-115D(a)(3)). For compliance years ending on or before May 31, 2017, renewable energy resources also includes energy and its associated renewable energy credit or renewable energy credits from other alternative sources of environmentally preferable energy. For the compliance year ending on May 31, 2018, the minimum quantity of renewable energy resources to be procured shall be equal to 13% of the uncovered amount of energy supplied during the compliance year. For the compliance year ending on May 31, 2019, the minimum quantity of renewable energy resources to be procured shall be equal to 14.5% of the uncovered amount of energy supplied during the compliance year. For compliance years ending on or after May 31, 2020, RES do not have an obligation pursuant to Section 16-115D of the Act to procure renewable energy resources. For an ARES that meets the requirements of Section 1-75(c)(1)(H) of the IPA Act, the ARES obligation to purchase renewable energy resources shall be reduced in accordance with Section 455.160.

d) For compliance years ending on or before May 31, 2017, at least 60% and at least 6% of the RES obligation to procure renewable energy resources shall come from wind and solar photovoltaic generation, respectively. For compliance years ending on or before May 31, 2017, renewable energy resources also includes energy and its associated renewable energy credit or renewable energy credits from other alternative sources of environmentally preferable energy. For compliance years ending on May 31, 2018 and May 31, 2019, at least 32% of the RES obligation to procure renewable energy resources shall come from wind or photovoltaic generation.

e) For compliance years ending on or before May 31, 2017, at least 50% of the obligation to procure renewable energy resources must be satisfied by making alternative compliance payments, and the balance of the obligation to procure renewable energy resources may be satisfied by generating electricity using renewable energy resources, purchasing electricity generated using renewable energy resources, purchasing renewable energy credits from renewable energy resources, or making alternative compliance payments (see Section 16-115D(b)(1) and (3) of the Act). For compliance years ending on or before May 31, 2017, renewable energy resources also includes energy and its associated renewable energy credit or renewable energy credits from other alternative sources of environmentally preferable energy. For compliance years ending on May 31, 2018 and May 31, 2019, the obligation to procure renewable energy resources may be satisfied by generating electricity using renewable energy resources, purchasing electricity generated using renewable energy resources, purchasing renewable energy credits from renewable energy resources, making alternative compliance payments, or a combination thereof (see Section 16-115D(b)(2) and (3) of the Act).

f) Alternative compliance payment rate. The "maximum alternative compliance payment rate" for each compliance year shall be equal to the maximum allowable annual estimated average net increase due to the costs of the utility's purchase of renewable energy resources included in the amounts paid by eligible retail customers in connection with electric service, as described in Section 1-75(c)(2) of the IPA Act for the compliance period, as established in the approved procurement plan. The "actual alternative compliance payment rate" will be equal to the lower of the maximum alternative compliance payment rate or the total amount of dollars the utility actually spent on renewable energy resources for the compliance period divided by the forecasted load of retail customers for which the utility is procuring renewable energy resources in a given compliance year, at the customers' meters, as previously established in the Commission-approved procurement plan for that compliance year. (See Section 16-115D(d)(1) of the Act.)

g) To the extent to which a RES seeks to meet its obligation to procure renewable energy resources by generating electricity using renewable energy resources, purchasing electricity generated using renewable energy resources, or purchasing renewable energy credits, those resources or the resources generating the renewable energy credits must be located within Illinois, Wisconsin, Indiana, Iowa, Kentucky, Michigan or Missouri, or within portions of the PJM and MISO footprint in the United States (see 220 ILCS 5/16-115D(a)(4)). Renewable energy credits used toward compliance for a compliance year must be generated during that compliance year or during the two previous compliance years. (See 220 ILCS 5/16-115D(c)(1).) Under no circumstances shall renewable energy credits from other alternative sources of environmentally preferable energy be used toward compliance for a compliance year ending after May 31, 2017.

h) For a compliance year, an RES' obligation to procure renewable energy resources by generating electricity using renewable energy resources, purchasing electricity generated using renewable energy resources, or purchasing renewable energy credits from renewable energy resources is determined according to the following formula:

RRu = [Applicable Supplyu – (Paymentu/ACPRateu)] x Requirement

where:

RRu is the RES' obligation to procure renewable energy resources by generating electricity using renewable energy resources, purchasing electricity generated using renewable energy resources, or purchasing renewable energy credits from renewable energy resources (in megawatt-hours) in utility service area u;

Applicable Supplyu is, for compliance years ending on or before May 31, 2017, the amount of metered electricity supplied to the RES' Illinois retail customers in utility service area u during the compliance year (in megawatt-hours) and is, for compliance years ending on May 31, 2018 and May 31, 2019, the uncovered amount of energy supplied to the RES' Illinois retail customers in utility service area u during the compliance year (in megawatt-hours).

Paymentu is the amount of the alternative compliance payment (in $) made by the RES in utility service area u, including, for compliance years ending on or before May 31, 2017, mandatory ACP payments made in compliance with subsection (e);

ACPRateu is the actual alternative compliance payment rate (in $/MWh) in utility service area u;

Requirement is the annual renewable requirement percentages specified or referenced in subsection (c) (expressed in decimal form).

i) Alternative compliance payments may be used to reduce the wind and/or photovoltaic requirements identified in subsection (d).

(Source: Amended at 41 Ill. Reg. 13580, effective October 26, 2017)