



ILLINOIS POWER AGENCY ANNUAL REPORT FISCAL YEAR 2023

February 15, 2024

ipa.illinois.gov



Illinois Power Agency Annual Report

Fiscal Year 2023

Prepared in Accordance with 20 ILCS 3855/1-125 and 220 ILCS 5/16-115D(d)(4)

February 15, 2024

Thank you for your interest in the IPA's 2023 Annual Report. We are pleased to share our progress and key highlights from the past year regarding our programs and procurements. This Annual Report period covers the State Fiscal Year 2023 (July 1, 2022- June 30, 2023) as well as subsequent events in the second half of calendar year 2023.

This Annual Report shares key highlights, accomplishments, challenges, and opportunities through statistics, metrics, and stories of general interest, as well as statutorily mandated reporting requirements.

We welcome your feedback at IPA.ContactUs@illinois.gov.

ILLINOIS POWER AGENCY

The Illinois Power Agency (“IPA”) is an independent state agency established under Illinois law in 2007 through the enactment of the Illinois Power Agency Act (20 ILCS 3855). Under the oversight of the Executive Ethics Commission, the IPA is committed to:

- Ensuring that the process of power procurement is conducted in an ethical and transparent fashion, immune from improper influence.
- Conducting competitive procurement processes to procure the supply resources identified in procurement plans.
- Operating in a structurally insulated, independent, and transparent fashion so that nothing impedes its mission to secure power at the best prices the market will bear, provided that it meets all applicable legal requirements.
- Continuing to review its policies and practices to determine how best to meet its mission of providing the lowest cost power to the greatest number of people, at any given point in time, in accordance with applicable law.

The IPA is charged with preparing annual electricity procurement plans and managing power procurement for residential and small commercial customers of Illinois electric utilities who have not switched suppliers. The IPA is also responsible for the implementation of the Illinois Renewable Portfolio Standard (“RPS”), a public policy designed to drive the development of renewables in Illinois, and other vital energy policy initiatives.

Responsibilities

Guided by its mission and vision, the IPA develops an annual electricity procurement plan on behalf of “eligible retail customers” – residential and small commercial customers who have not switched to alternate suppliers – to ensure they receive reliable, affordable, efficient, and environmentally sustainable electricity. As outlined within those procurement plans, the Agency conducts competitive procurements twice a year to purchase power to serve the eligible retail customers of Illinois electric utilities.

For renewable energy resources, the IPA develops a Long-Term Renewable Resources Procurement Plan (“Long-Term Plan”) on a biennial basis. The Long-Term Plan serves as a roadmap for renewable energy programs and procurements managed by the IPA. The Long-Term Plan is updated every two years, with a focus on incenting the development of new renewable energy generation.

Key activities that are outlined through the Long-Term Plan include:

- Competitive procurements to support the development of new utility-scale wind, utility-scale solar, and brownfield site photovoltaic projects.
- The Illinois Shines Program (also known as the Adjustable Block Program) to support the development of distributed generation solar projects for Illinois homes and businesses, and the development of community solar projects.
- The Illinois Solar for All (“ILSFA”) Program to support solar for income-eligible households and communities.
- A large customer self-direct program through which large electric customers are eligible for bill credits through the self-directed procurement of renewable energy credits.
- Consumer protection requirements applicable to IPA incentive programs.
- The Minimum Equity Standard (“MES”) to help ensure that everyone can access the growing clean energy economy and that the clean energy workforce is made up of a minimum level of equity-eligible persons.

In addition, the IPA is also responsible for the development and administration of the Carbon Mitigation Credit Procurement process and the Zero Emission Standard Procurement Plan, both of which support at-risk nuclear plants.

Vision Statement

The Illinois Power Agency's vision is to provide a clean, reliable, equitable, and cost-effective energy future for residents and businesses across Illinois.

Mission Statement

The Illinois Power Agency is committed to the planning and procurement of reliable, efficient, and cost-effective electricity for residents and businesses in an ethical and objective manner, insulated from improper influence. The IPA also administers incentive programs and procurements to promote renewable and zero-carbon energy generation, while building an equitable clean energy future for all Illinoisans.

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Message from the Director

15 FEBRUARY 2024

2023 has been a year of growth and expansion at the Illinois Power Agency. We are now up to 46 employees, leaving us far better equipped to meet the ambitious responsibilities that recent statutory changes have placed upon us. We introduced two new bureaus in 2023: a Strategy & Communications Bureau designed to manage ways to better communicate vital aspects of our work to external audiences; and a Diversity, Equity, & Inclusion Bureau focused on ensuring that the benefits of the emerging clean energy economy in Illinois are shared by all. We have outgrown our office space, but in late 2022, the state's Policy & Procurement Board approved our proposed lease for new office space in downtown Chicago. The IPA should be fully transitioned to its new home offices by the time of next year's annual report.

At times, it feels as though our programs and procurements are bursting at the seams as well. Across 2023 and into 2024, Illinois Shines program capacity for residential solar incentives was oversubscribed well before the end of each program year, and our community solar program capacity continues to fill immediately upon accepting program applications. We remain on track to meet our state's ambitious targets for new utility-scale solar projects as well. While other key areas – support for new wind projects, rooftop solar for low-income customers, and dedicated public schools incentives – still require continued growth, the clean energy economy in Illinois is on a sharp upward trajectory.

In areas of our work informed by wholesale market outcomes, 2023 proved to be a far calmer period than the volatility of 2022. Wholesale energy prices settled down to far lower levels than experienced across 2022, and energy prices paid by default supply customers in Illinois are down to 6 to 8 cents versus the 10 to 12 cents observed across 2022. After the April 2022 MISO Planning Resource Auction resulted in prices of \$236.66/MW Day, the first seasonal zonal resource credit MISO Planning Resource Auction, held in May 2023, featured four separate seasonal prices with none higher than \$15/MW Day. Plunging energy and capacity prices greatly benefit Illinois residents and businesses through reduced energy costs, but we can never mistake one year's low prices for long-term or structural solutions.

2023 also featured the launch of vital new tools intended to help the IPA better serve the public at large. Our new Energy Workforce Equity Portal allows for matchmaking between clean energy companies needing Equity Eligible Persons to meet state Minimum Equity Standards and Equity Eligible Persons themselves. Each week, new firms register to use the portal, new jobs are posted, and new Equity Eligible Persons self-identify to be connected with those jobs.

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Message from the Director

15 FEBRUARY 2024

At times, this progress may only feel like drops in the bucket—after all, reshaping the clean energy economy to fully reflect the values and demographics of the state is a tall order—but after a year, you can peek into that bucket to confirm that progress has truly been made.

As an Agency, we continue to grow, mature, and evolve, becoming better equipped to navigate new challenges while continuing to improve execution of long-standing responsibilities. I cannot emphasize enough how that growth and maturation is the product of having incredible staff. At the IPA, we have employees who tirelessly pursue new, innovative ideas while working diligently to execute on prescribed responsibilities at incredibly high professional standards. As I stated last year, while this report features numerous statistics and metrics, no measurement tool can adequately measure the public service commitment continually demonstrated by IPA staff members in navigating countless complex new responsibilities. If you've stumbled upon this report to better understand our Agency's operations, let me start with this: no one works harder, and no one cares more. That should be your biggest takeaway.

The year ahead will undoubtedly be challenging. The Policy Study mandated under Public Act 103-0580 is set to be delivered to the Governor and General Assembly on March 1, 2024, and numerous exciting new energy-sector legislative proposals have already been introduced. Preparations are underway for the resource adequacy report required under Section 9.15(o) of the Illinois Environmental Protection Agency Act; while that report is required to be completed in 2025, it will undoubtedly color the Agency's work in 2024. But as long as we navigate these new responsibilities through our core values of hard work, caring about outcomes in addition to requirements, and the strongest possible commitment to ethics and transparency, positive results will follow.

Thank you for your interest in the IPA's 2023 Annual Report and we truly hope this content serves you well.

A handwritten signature in black ink, appearing to read "B. Granahan".

Brian P. Granahan
Acting Director
Illinois Power Agency

COMMITMENT TO RELIABLE, EFFICIENT COST-EFFECTIVE ELECTRICITY SUPPLY

The IPA conducts electricity procurements on behalf of eligible retail customers (residential and small commercial customers of Illinois electric utilities) who have not switched to an Alternative Electric Retail Suppliers. The goal of the electricity procurements is to ensure that these customers receive reliable, affordable, efficient, and environmentally sustainable electricity supply at the lowest total cost over time, taking into account any benefits of price stability. The IPA annually develops an electricity procurement plan that is approved by the Illinois Commerce Commission (“ICC”) and then conducts competitive procurements as approved by that plan.

State of Electricity Procurement

In FY 23, the 2023 Electricity Procurement Plan was filed with the ICC on September 28, 2022 and was approved on December 15, 2022.¹ The Plan was notable because it contained an early 2023 capacity procurement for Ameren Illinois customers to make up for a capacity procurement that was cancelled in September 2022. That September 2022 procurement had been cancelled to allow the Agency time to update the structure of capacity procurements to conform with changes capacity market construct of the Midcontinent Independent System Operator (“MISO”) that were approved by the Federal Energy Regulatory Commission (“FERC”) at the end of August 2022. The Plan otherwise maintained the twice a year procurement model the Agency has utilized since 2014.

The 2023 Electricity Procurement Plan made several changes to the structure of the volume of energy procured by the Agency. First, it reduced the procurement volumes for ComEd eligible retail customers to target 50% of their expected load. The change reflected the stabilizing impact that Carbon Mitigation Credits (“CMC”) would have on the supply rate of these customers as that credit level would move inversely with wholesale electricity prices. Second, it changed the target hedging level for capacity for Ameren Illinois customer from 50% to 75% in response to concerns about the volatility of prices in the MISO Planning Reserve Auction. Third, as the IPA procures energy for a given delivery year over several procurement events leading up to that delivery year, the Plan changed the pace of those procurements so that more energy would be procured prior to the final procurement event

¹ The Final 2023 Electricity Procurement Plan is available at:

<https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/2023-final-electricity-procurement-plan-27-feb-2023.pdf>.

for a delivery year. This change was designed to reduce the exposure to volatile energy prices right before a delivery year as was seen in 2022.

For FY23, the Agency conducted procurements of standard energy blocks in September 2022 and April 2023, and capacity for Ameren Illinois Customers in February and April 2023. The results of these procurements are contained in Section 1 below.

From the summer through fall of 2023, the Agency conducted a solicitation for a Procurement Administrator to manage the competitive procurements conducted by the Agency, and on December 14, 2023, the ICC approved the Agency's selection of NERA Economic Consulting for this role for a term of up to five years. NERA has served as the Agency's Procurement Agency since 2008.

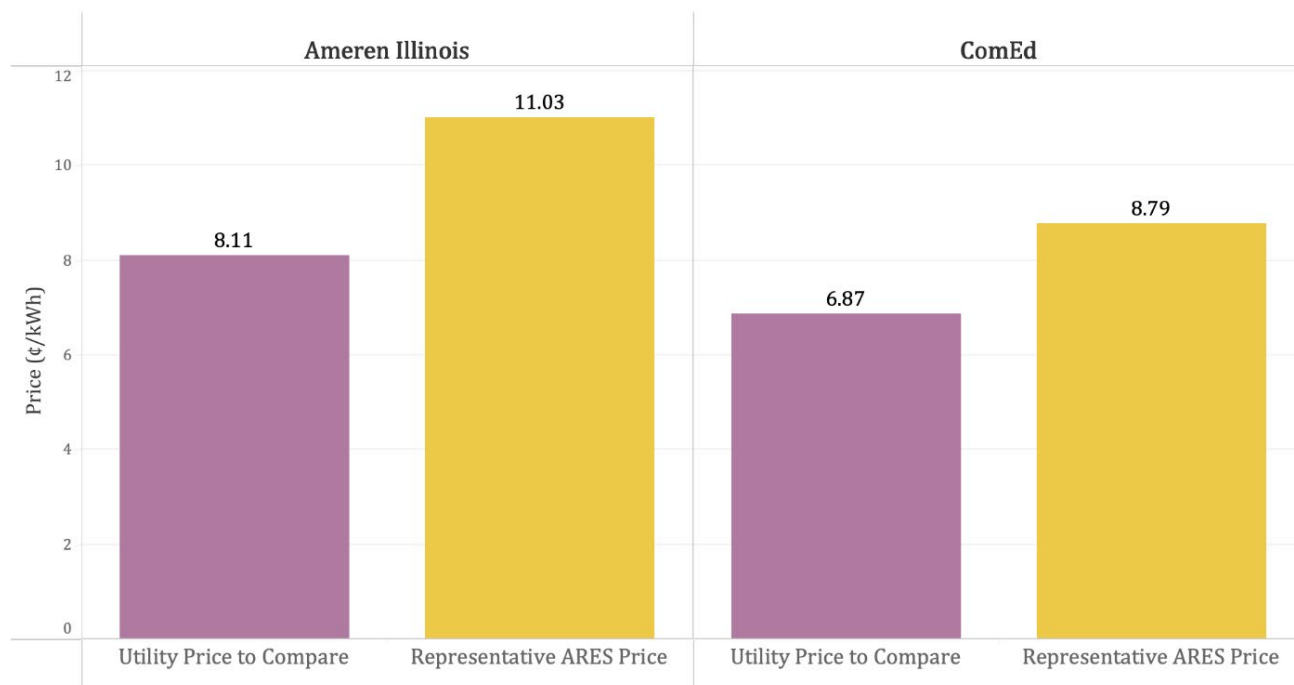
Key Highlights

Electricity prices spiked in the first half of 2022 as a result of several factors, the most impactful of which was the war in Ukraine disrupting global energy markets. Prices peaked in the summer of 2022, and declined through the fall of 2022 through the spring of 2023 and have remained stable since then. As a result, the price of electricity supplying eligible retail customers has declined as the Agency has procured additional electricity at lower prices than the electricity procured in the spring of 2022. As of December 2023, for customers who stay on default supply services, ComEd residential customers in Illinois pay 6.87 cents per kilowatt and Ameren Illinois residential customers pay 8.11 cents per kilowatt (as seen in Figure 1). These rates are decreases from the high of 12.24 cents per kilowatt and 11.04 cents per kilowatt paid by ComEd customers in July and August, 2022.

The value of the electricity procurement approach utilized by the Agency can be seen in the following comparison of the current supply rates paid by eligible retail customers and the typical supply offers being made by Alternative Retail Electric Suppliers ("ARES") as listed on the ICC's Plugin Illinois website.² Please note that many residential and small commercial customers are being served by municipal aggregation programs that may feature different ARES rates than those shown here.

² <https://plugin.illinois.gov>

Figure 1. Retail Market Customer Price vs. Default Supply Customer Price (2023)



Legend

- Utility Price to Compare
- Representative ARES Price

Source: Plugin Illinois (December 2023).

Note: ARES prices represent the average of the corresponding 12 month fixed price rates. Retail prices for Ameren Illinois and ComEd were obtained from Plugin Illinois as of December 21, 2023.

In addition to procuring blocks of electricity for eligible retail customers, the Agency also procures a portion of the capacity requirements of Ameren Illinois eligible retail customers. These procurements serve as a financial hedge against the volatility of MISO-administered capacity procurements. Capacity is a component of energy markets that compensates generators for being available during high-demand times. With MISO’s shift from an annual capacity product to four seasonal products (approved by FERC in August of 2022), the Agency restructured its capacity procurements. This restructuring included invoking provisions to existing capacity contracts to allow for the capacity previously procured to be

restructured into seasonal products, cancelling a capacity procurement scheduled for September of 2022, and instead holding a procurement in February 2023.

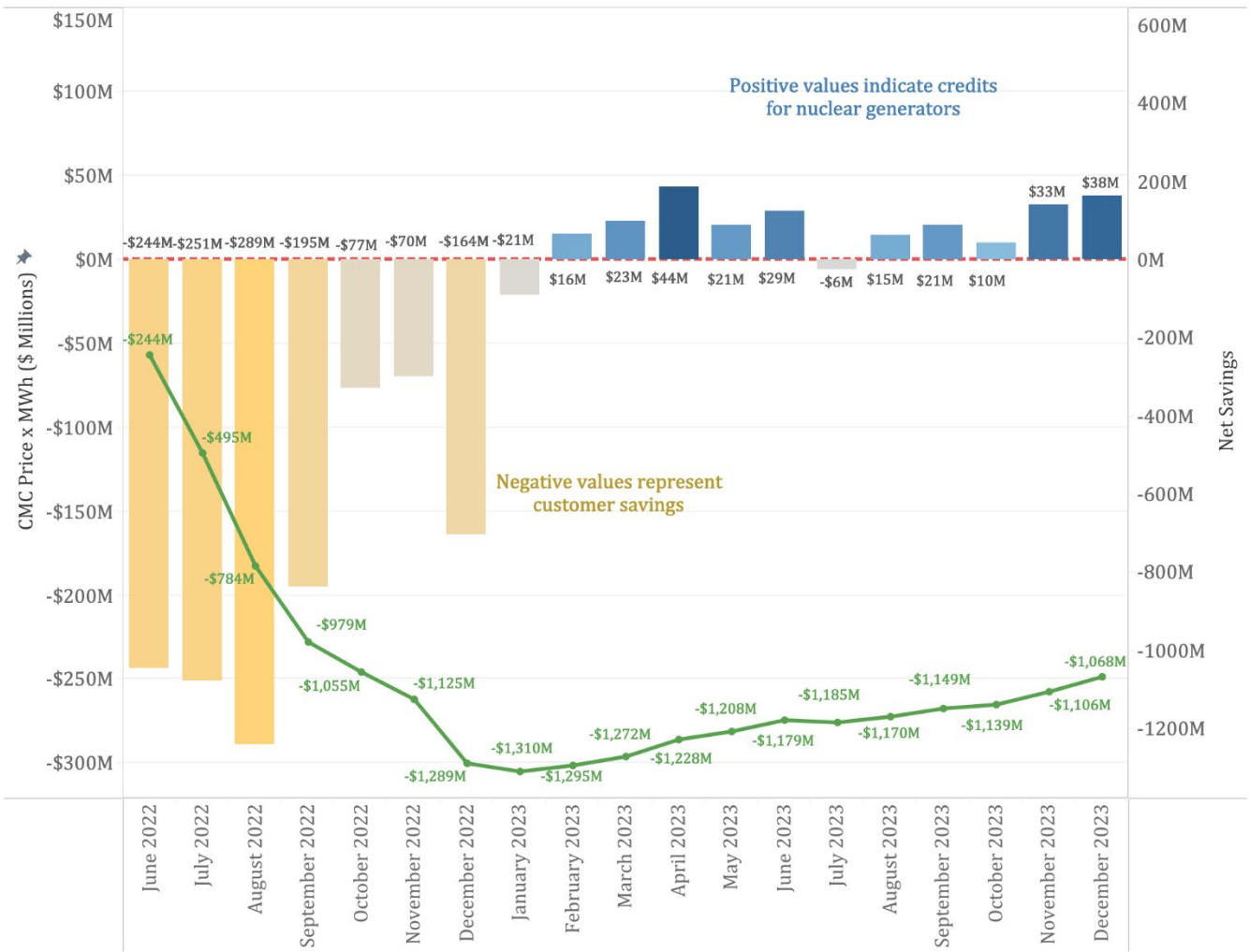
While IPA-administered procurements of capacity helped to lower capacity costs for Ameren Illinois eligible retail customers during the 2022-2023 energy delivery year, this savings did not occur with MISO capacity prices falling for the 2023-2024 energy delivery year. The IPA's capacity procurement remains a tool to protect against large and unpredictable spikes in capacity prices.

Carbon Mitigation Credits

Public Act 102-0662 (“the Climate and Equitable Jobs Act” or “CEJA”) required the IPA to develop a Carbon Mitigation Credit (“CMC”) procurement plan and administer a procurement for CMCs. The goal of this plan is to help preserve certain existing carbon-free, nuclear generation facilities in Illinois. The IPA's procurement of CMCs has ensured the continued operation of three nuclear plants through 2027. The CMC model is different from the Agency's previous Zero Emissions Standard procurement which also support certain nuclear plants, CMC prices change upward or downward based on wholesale electricity prices changes. The IPA's indexed approach serves as a form of price protection for ComEd ratepayers, as CMC prices fall and can even be negative when energy prices spike.

Due to significant increases in wholesale electricity prices across 2022, the price of the CMCs was negative from June 2022 through January 2023, resulting in estimated bill credits of \$1.07 billion to ComEd ratepayers (as seen in Figure 2). However, due to dropping and then stabilizing wholesale energy prices, CMC procurement balancing has resulted into a small customer charge as of June 2023—but could revert back to a credit should energy prices rise again.

Figure 2. Carbon Mitigation Credits (CMC) – Price x MWh and Net Savings by Month (2022-2023)



Legend
 -\$289M \$44M

Source: Planning and Procurement Bureau, Illinois Power Agency (December 2023)

Note: Green line represents net customer savings. When the CMC price is negative, customers in Illinois receive the credit. Conversely, when the CMC price is positive, the nuclear generator receives the credit.

ADVANCING & ACCELERATING RENEWABLES

Long-Term Renewable Resources Procurement Plan

The IPA's 2022 Long-Term Plan which guides the Agency's work to support the Renewable Portfolio Standard, was approved by the ICC on July 14, 2022, and published by the IPA on August 23, 2022. However, due to an unanticipated issue related to high demand within the Equity Eligible Contractor ("EEC") category of the Illinois Shines, the Agency sought reopening of its 2022 Long-Term Plan before the Commission on December 2, 2022.³ The Commission granted reopening and, following litigation around the proposed changes, approved modifications to the Long-Term Plan on May 4, 2023. The Agency published its Modified Plan Upon Reopening on May 9, 2023.⁴

2024 Long-Term Plan

The Long-Term Plan, developed and published every two years, details goals and strategies for the IPA's renewable energy programs and procurements.

In 2023, the Agency began the process of developing the next iteration of the Long-Term Plan for implementation in 2024. The 2024 Long-Term Plan is expected to be approved by the Illinois Commerce Commission in February 2024, shortly after the release of this Annual Report, and will guide activities from June 2024 through May 2026.

Key Highlights

- The draft 2024 Long-Term Plan was released for public comment on August 15, 2023, with a September 29 deadline for comment submission. The Agency received a total of 34 comments covering all chapters of the Plan. Commenters included a variety of stakeholders including solar companies, EECs, labor organizations, environmental advocacy groups, utilities, and industry associations.
- On October 20, 2023, the IPA filed its 2024 Long-Term Plan with the ICC for approval.⁵

³ An Equity Eligible Contractor is "a business that is majority-owned by eligible persons, or a nonprofit or cooperative that is majority-governed by [equity] eligible persons or is a natural person that is an [equity] eligible person offering personal services as an independent contractor." 20 ILCS 3855/1-10.

⁴ <https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/modified-2022-long-term-plan-upon-reopening-9-may-2022-final.pdf>

⁵ <https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/2024-long-term-plan-20-oct-2023-.pdf>.

- The IPA’s filed 2024 Long-Term Plan contains several novel proposals, including the following (all subject to ICC approval):
 - Given the growing interests of project development and the ongoing need for continuity in solar incentive availability in central and southern Illinois within Illinois Shines, the IPA has sought to remedy Group A oversubscription through a set of proposals. proposed the following steps:
 - Eliminating of the distinction between Group A and Group B for the Small DG and Large DG blocks.
 - Increasing the overall Program size, thus resulting in larger Small DG and Large DG blocks.
 - Adjusting the prioritizations for uncontracted capacity at close of Program Year by prioritizing distributed generation categories.
 - Prioritizing distributed generation projects within the Public Schools and Equity Eligible Contractor categories.
 - Instituting a price adjustment cap for changes to REC prices for waitlisted projects.
 - Seeking express authority to deposit any federal Greenhouse Gas Reduction Fund funding received into the Renewable Energy Resources Fund to support Illinois Solar for All (“ILSFA”) Program growth.
 - Establishment of a Solar Restitution Fund to provide economic assistance to customers harmed through solar project transactions.
 - A workshop process for determining the viability of downstream negotiations of Indexed REC contracts used to support utility-scale wind, utility-scale solar, and brownfield site photovoltaic projects.

IPA Solar Incentive Programs

Illinois Shines

Illinois Shines (statutorily defined as the Adjustable Block Program), supports the development of on-site solar (distributed generation) as well as community solar projects. Illinois Shines makes going solar more affordable for residents and businesses across Illinois. With valuable incentives, step-by-step guidance, robust consumer protections, and an emphasis on equity, Illinois Shines ensures everyone in Illinois can play a role in its clean energy future.

Current State of Illinois Shines

A new Program portal was launched in July 2022 with new features and functionality for application processing and streamlining. Along with a new portal, the Program Administrator hired and trained additional staff to process a high volume of project applications and support Illinois Shines across all Program areas. The Program Administrator continues to work diligently to ensure that Program operations and processes are functioning efficiently and effectively to ensure ongoing Program success and stakeholder support.

On September 1, 2022, the IPA and Program Administrator re-opened the Program for Part I applications for Program Year 2022-23, for all categories except for Traditional Community Solar.⁶ Traditional Community Solar opened on November 1, 2022. The new www.IllinoisShines.com public website was launched July 27, 2023. The site combined, transformed, and expanded information previously available at the Program's two public web sites into a single site for all users, and new information and features that are continually added.

The 2023-24 Illinois Shines Program Year opened on June 1, 2023. Commencement of the new Program Year included the addition of new block capacity across all the Program's six project categories and featured the official launch of the Minimum Equity Standard ("MES").⁷

⁶ Approved Vendors (solar companies) participating in the IPA's solar programs completes an initial "Part I" application for a solar project to be part of the Illinois Shines program. The Approved Vendor groups solar projects and submits them as a "batch" to the Illinois Shines Program Administrator.

⁷ The Minimum Equity Standard ("MES") helps ensure that the growing clean energy economy is accessible to everyone. Beginning June 1, 2023, an increasing portion of the workforce of an entity participating in the IPA's Illinois Shines Program, Self-direct Program, or competitive renewable energy procurements must meet the requirements of the Minimum Equity Standard.

The new Program Year brought new requirements, updated Program documents, new REC prices, and more. In October 2023, the Program Administrator launched its first cohort of the mentorship program to aid minority-owned, veteran-owned, women-owned, and small businesses and EECs the Illinois Shines program.

Illinois Shines opened the 2023-24 Program Year on June 1, 2023, for project applications. The total capacity for the 2023-24 Program Year, including the addition of uncontracted capacity allocation and the reduction of capacity applied to waitlisted projects from the previous Program Year, was a total of 520.82 MW allocated across the six Group/category combinations as follows:

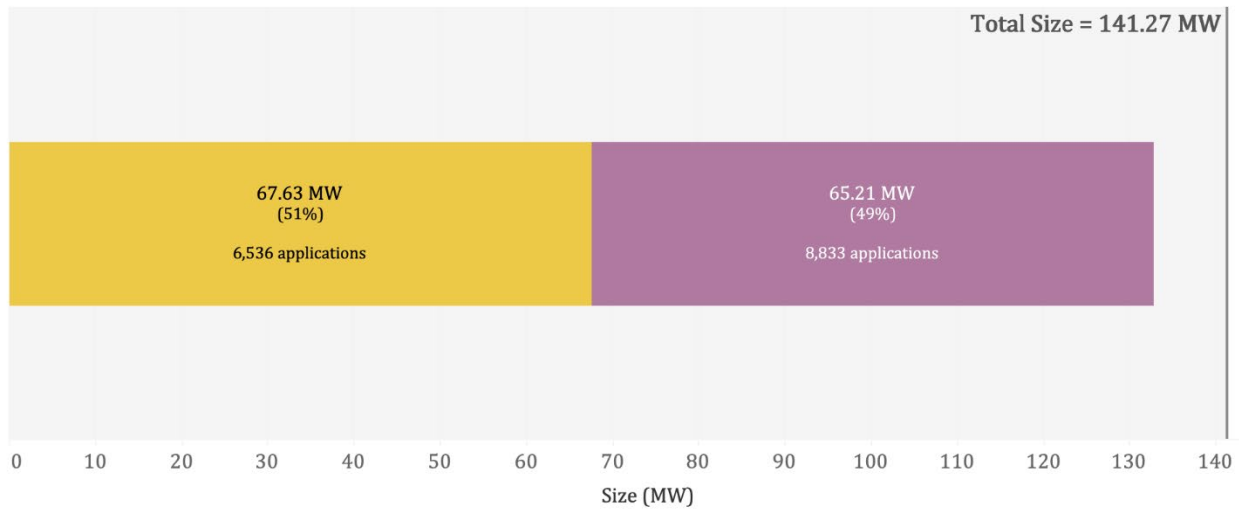
Distributed Generation

The transition to annual blocks after the enactment of CEJA posed a new challenge for the Distributed Generation categories. The allocated capacity for Small and Large Distributed Generation projects in Group A (for projects located in the service territories of Ameren Illinois, MidAmerican, Mt. Carmel Public Utility, and rural electric cooperatives and municipal utilities located in MISO.) ran out before the end of each Program Year, creating waitlists of applications that caused a delay in the availability of Illinois Shines incentive payments to customers. Historically, Group A Small and Large Distributed Generation solar project categories have exhausted available capacity at a faster rate than the same categories in Group B (for projects located in the service territories of ComEd, and rural electric cooperatives and municipal utilities located in PJM).

Below is the breakdown of Distributed Generation projects:

- 148 applications totaling 81.70 MW were submitted in the Group A Large Distributed Generation category during FY23 (as seen in Figure 4). From July 2023 through December 2023, 74 applications totaling 33.02 MW were submitted.
- 6,536 applications totaling 67.63 MW were submitted in the Group A Small Distributed Generation category during FY 23 (as seen in Figure 3). From July 2023 through December 2023, 5,353 applications totaling 49.51 MW were submitted.
- 103 applications totaling 44.96 MW were submitted into the Group B Large Distributed Generation category during FY23 (as seen in Figure 4). From July 2023 through December 2023, 77 applications totaling 33.62 MW were submitted.
- 8,833 applications totaling 65.21 MW were submitted into the Group B Small Distributed Generation category during FY23 (as seen in Figure 3). From July 2023 through December 2023, 8,069 applications totaling 58.89 MW were submitted.

Figure 3. Small DG, Applications Submitted and Total Size (FY 2023)



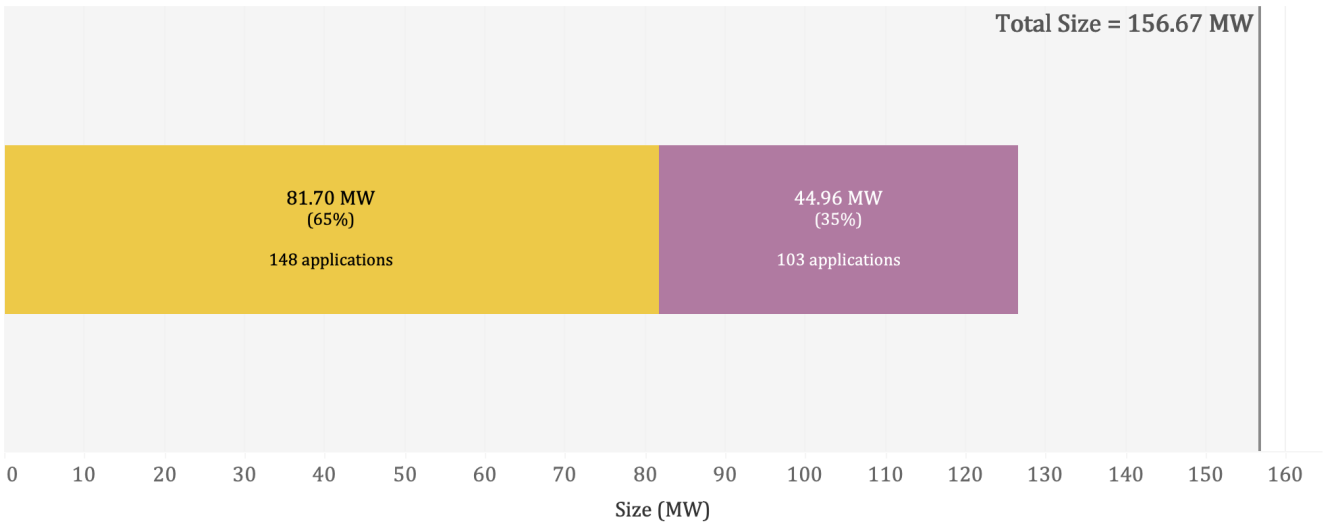
Legend

■ Group A ■ Group B

Source: Planning and Procurement Bureau, Illinois Power Agency (December 2023)

Note: The Fiscal Year (FY) 2023 corresponds to the period from July 1, 2022 to June 30, 2023.

Figure 4. Large DG, Applications Submitted and Total Size (FY 2023)



Legend

■ Group A ■ Group B

Source: Planning and Procurement Bureau, Illinois Power Agency (December 2023)

Note: The Fiscal Year (FY) 2023 corresponds to the period from July 1, 2022 to June 30, 2023.

Traditional Community Solar

The Traditional Community Solar category of Illinois Shines supports community solar projects across Illinois. Prior to the enactment of CEJA, applications for TCS exceeded block capacity on the first day of block opening, leading the Agency to create a methodology for project application selection. After receiving stakeholder feedback, the Agency released the scoring criteria for project selection and waitlisting of TCS applications submitted at the same time.

During FY 23, the Program Administrator scored all TCS projects submitted on November 1, 2022, for the 2022-23 Program Year using scoring criteria for project selection and waitlisting of TCS applications submitted on the same date. A random selection event was held to break ties between projects that received the same scores and determined which projects were waitlisted to receive capacity in the next Program Year.

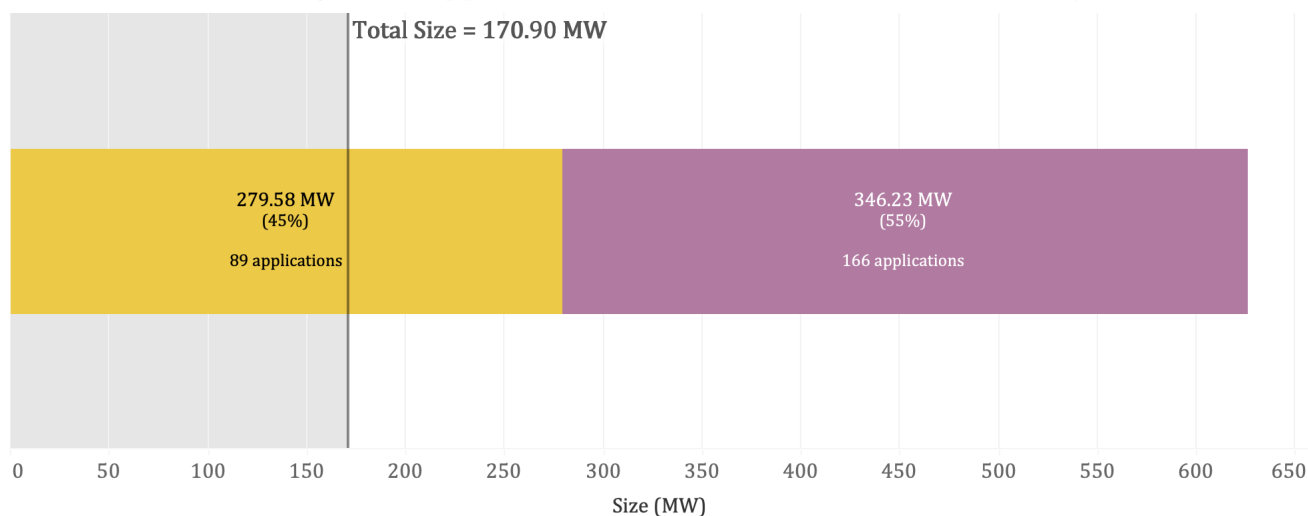
On June 1, 2023, TCS capacity for the 2023-24 Program Year opened. For the 2023-24 Program Year, capacity available for the TCS category was 60 MW for Group A and 140 MW for Group B. After capacity was allocated to the November 1, 2022, submitted projects on the

2022-2023 waitlist, there was 0 MW of capacity available for Group A and 114.62 MW available for Group B. Then, all projects submitted from November 2, 2022, to May 31, 2023, were processed and scored. All Group A projects that met the minimum waitlist score of 5 points were carried over to the Group A 2023-24 waitlist, as there was no available capacity for these projects. On the first day of application submissions for Program Year 2023-24 a total of 112.89 MW of capacity was submitted: 14 MW submitted to Group A and 98.89 MW submitted to Group B. Projects that were placed on the TCS 2023-24 waitlist will remain waitlisted until capacity in the respective Group becomes available. Waitlisted projects will be eligible for new capacity released for the 2024-25 Program Year.

Below is the breakdown of Traditional Community Solar projects:

- Group A had 89 Traditional Community Solar applications submitted in FY 2023, totaling 279.58 MW (as seen in Figure 5). From July 2023 through December 2023, 13 applications totaling 42.25 MW were submitted.
- Group B saw a total of 166 applications submitted in FY 2023, with an aggregate size of 346.23 MW (as seen in Figure 5). From July 2023 through December 2023, 18 applications totaling 73.48 MW were submitted.

Figure 5. Traditional Community Solar, Applications Submitted and Total Size (FY 2023)



Legend

■ Group A ■ Group B

Source: Planning and Procurement Bureau, Illinois Power Agency (December 2023)

Note: The Fiscal Year (FY) 2023 corresponds to the period from July 1, 2022 to June 30, 2023.

Community-Driven Community Solar

CEJA created the Community-Driven Community Solar (“CDCS”) category within Illinois Shines. CDCS projects are driven for and by the community and allow communities to take an active role in the energy transition.

On September 1, 2022, a 90-day project application window opened for CDCS for the 2022-23 Program Year, allowing Approved Vendors to submit CDCS applications until November 29, 2022. A total of 68 applications were received during the application window, including 12 project applications totaling 31.48 MW for Group A, and 56 project applications totaling 54.92 MW for Group B. After the close of the 90-day period, projects were reviewed and scored to be selected in order from projects with the highest score to the lowest until the category capacity was fully allocated. Group A CDCS had a total allocation capacity for Program Year 2022-23 of 10.55 MW; five projects were awarded capacity. Group B CDCS had a total allocation capacity for Program Year 2022-23 of 24.27 MW; 25 projects were awarded capacity.

On June 1, 2023, the 90-day project application window opened for Community-Driven Community Solar for the 2023-2024 Program Year, allowing Approved Vendors to submit CDCS applications until August 30, 2023, allocating 10 MW for Group A and 23 MW for Group B. After capacity was allocated to the projects on the 2022-2023 waitlist, there was 1.5 MW of capacity available for Group A and 17.7 MW available for Group B. A total of 63 applications were received during the application window, including 11 project applications totaling 25.7 MW for Group A, and 52 project applications totaling 64.95 MW for Group B. Following the project scoring process and selection, two projects were selected to fill the Group A block of available capacity, and 24 projects were selected for Group B.

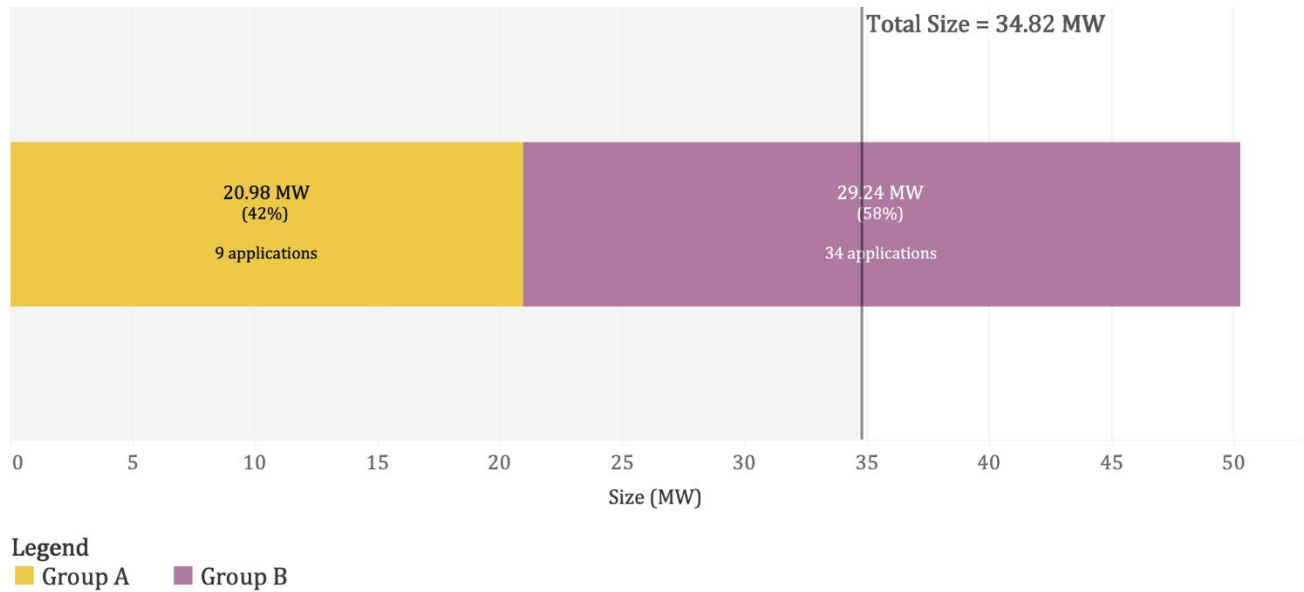
Following the project scoring process and random selection events of each Program Year, projects that were not selected and that had a minimum score were placed on a waitlist to receive next Program Year capacity. Applications in this category exceeded the allocated capacity in the 2022-23 and 2023-24 Program Years and the Agency expects that trend to continue in future Program Years.

Below is the summary of Community Driven Community Solar projects:

- Group A received 9 applications with a combined size of 20.98 MW for Community Driven Community Solar in FY 2023 (as seen in Figure 6). From July 2023 through December 2023, 11 applications totaling 25.70 MW were submitted.

- Group B had a larger engagement with 34 applications totaling 29.24 MW for Community Driven Community Solar in FY 2023 (as seen in Figure 6). From July 2023 through December 2023, 53 applications totaling 64.96 MW were submitted.

Figure 6. Community-Driven Community Solar, Applications Submitted and Total Size (FY 2023)



Source: Planning and Procurement Bureau, Illinois Power Agency (December 2023)

Note: The Fiscal Year (FY) 2023 corresponds to the period from July 1, 2022 to June 30, 2023.

Public Schools

CEJA created the Public Schools category within Illinois Shines program. Distributed Generation and Community solar projects can participate in this category. The Public Schools category aims to increase the educational and financial impacts of solar projects by setting aside a carveout for Illinois public schools to participate in the Program.

Since its opening on December 14, 2021, there has been slow uptake in the category (as seen in Figure 9). Currently, there is still over 160 MW of capacity available in the Public Schools category. While there is set aside capacity for this category, barriers to participation persist. To address this issue, the Illinois Shines Program Administrator has looked into the barriers to solar implementation in schools. The barriers include upfront financing, time needed for schools to get approval on projects from decision makers, incentive payment timelines, lack

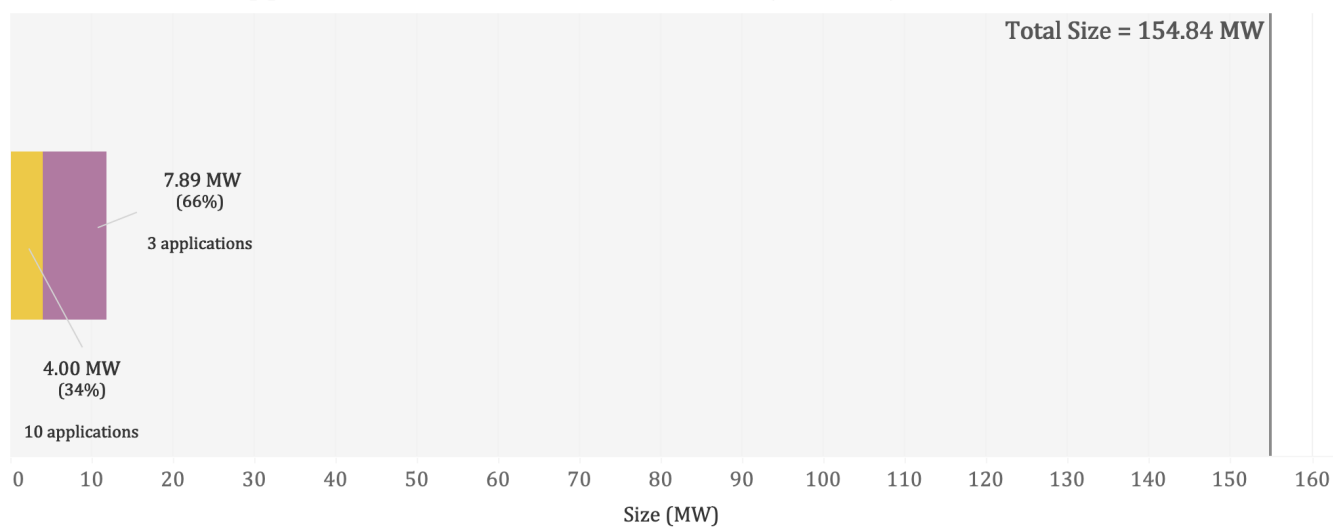
of awareness of the program. To increase participation in this category, the IPA is looking to engage education organizations and Approved Vendors to understand hardships, conduct targeted outreach to schools and district officials, and create resources that are school-specific to ensure benefits of Program are known widely.

On December 8, 2023, Governor Pritzker signed Senate Bill 1699 into law as Public Act 103-0580.⁸ The law expands the definition of Public Schools eligible for the Public Schools category to include Illinois public higher education institutions as defined by the Illinois Board of Higher Education Act. It also requires projects for this category to be located on public school land.

- The Group A Public Schools category had 10 applications submitted, totaling 4.00 MW in FY23 (as seen in Figure 7). Of these applications, 8 were distributed generation applications, amounting to 1.50 MW, and 2 were for community solar, totaling 2.50 MW. From July 2023 through December 2023, 1 distributed generation application of 0.2 MW was submitted.
- The Group B Public Schools category had 3 applications submitted in FY23, totaling 7.89 MW (as seen in Figure 7). Of these applications, 2 were community solar applications totaling 7.75 MW, and 1 was a distributed generation application of 0.14 MW. From July 2023 through December 2023, 1 community solar application of 0.875 MW was submitted.

⁸ See: <https://ilga.gov/legislation/publicacts/103/PDF/103-0580.pdf>.

Figure 7. Public Schools, Applications Submitted and Total Size (FY 2023)



Legend

- Group A
- Group B

Source: Planning and Procurement Bureau, Illinois Power Agency (December 2023)

Note: The Fiscal Year (FY) 2023 corresponds to the period from July 1, 2022 to June 30, 2023.

Equity Eligible Contractor (“EEC”)

CEJA created new capacity to support EECs participating in Illinois Shines. An EEC can submit projects to Illinois Shines in dedicated blocks of capacity reserved for them. Under certain circumstances, these blocks also provide an opportunity for EECs to receive advances on capital, which will help reduce barriers to participate in the Program. The EEC category features both Distributed Generation and Community Solar projects that have been submitted to the Program by EEC-certified Approved Vendors.

Upon opening of community solar categories for the 2022-23 Program Year on November 1, 2022, the Illinois Shines program saw an unexpected large number of applications submitted to the EEC category, specifically in Group A, creating a substantial oversubscription for this Group/category combination. The EEC category for the 2023-24 Program Year has exceeded capacity for the Community Solar subcategory in Group A as experienced in the previous Program Year.

While the community solar project applications in the have been substantial, there have been significantly fewer distributed generation projects submitted to the EEC category (as seen in

Figure 9). In order to support smaller and newer businesses and to provide opportunities for distributed generation projects that are developed by EECs, the Agency proposed in its 2024 Renewable Resources Procurement Plan draft to no longer reallocate subcategory capacity within the EEC category after nine months (as is set to occur during the 2023-24 Program Year per the 2022 Modified Long-Term Renewable Resources Procurement Plan), reallocating any uncontracted EEC capacity at the end of the Program Year.

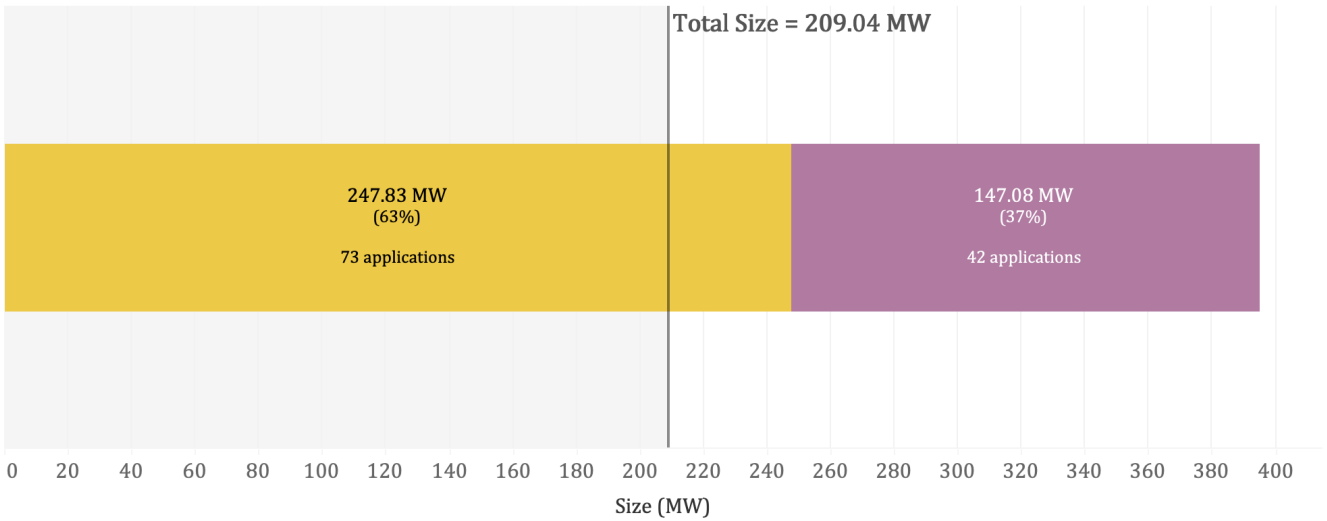
A feature of the Equity Accountability System, as established by CEJA, is the ability of EECs to request an advance of a portion of REC Contract value prior to the associated project's energization. In its 2022 Long-Term Renewable Resources Procurement Plan, the IPA proposed an application process for an advance of capital request consisting of a narrative description of need and milestones for disbursement.

On September 15, 2023, the Agency temporarily paused both the submission and the review of advance of capital requests to build out a more robust approach to the review and approval of those requests. The IPA had envisioned that successful requests would serve smaller firms with limited project portfolios working to grow emerging businesses: e.g., firms facing genuine “barriers in access to capital” capable of demonstrating “need.” But in opening the EEC category, the IPA instead received 36 advance of capital requests totaling approximately \$75 million, including from a) companies partially owned and primarily managed by large national solar companies featuring thousands of megawatts in their project pipelines, and b) companies that have already successfully developed numerous projects under other Illinois Shines categories or under the Illinois Solar for All Program (thus demonstrating their ability to successfully develop projects without capital advancement, calling “need” into question). After a stakeholder feedback process, on December 12, 2023, the Agency published the final advance of capital evaluation criteria for projects receiving a REC contract in the EEC Category for the 2022-23 and 2023-24 Program Years and began accepting advance of capital requests.

- The Group A EEC Community Solar subcategory had 73 project applications totaling 247.83 MW submitted on FY23 (as seen in Figure 8). From July 2023 through December 2023, 5 applications were submitted totaling 22.99 MW. The Program Year 2023-24 waitlist totals 86.133 MW across 21 applications.
- The Group A EEC Distributed Generation subcategory did not have applications submitted on FY23. From July 2023 through December 2023, 1 application of 2.664 MW was submitted. This application is currently on the Program Year 2023-24 waitlist.
- The Group B EEC Community Solar subcategory had 42 applications totaling 147.08 MW submitted on FY23 (as seen in Figure 8). From July 2023 through December 2023, 12 applications were submitted totaling 46.41 MW. The current 2023-24 waitlist totals 4.99 MW across 1 application due to developer cap.

- The Group B EEC Distributed Generation subcategory did not have applications submitted from the start of FY23 to December 2023.

Figure 8. Equity Eligible Contractor, Applications Submitted and Total Size (FY 2023)



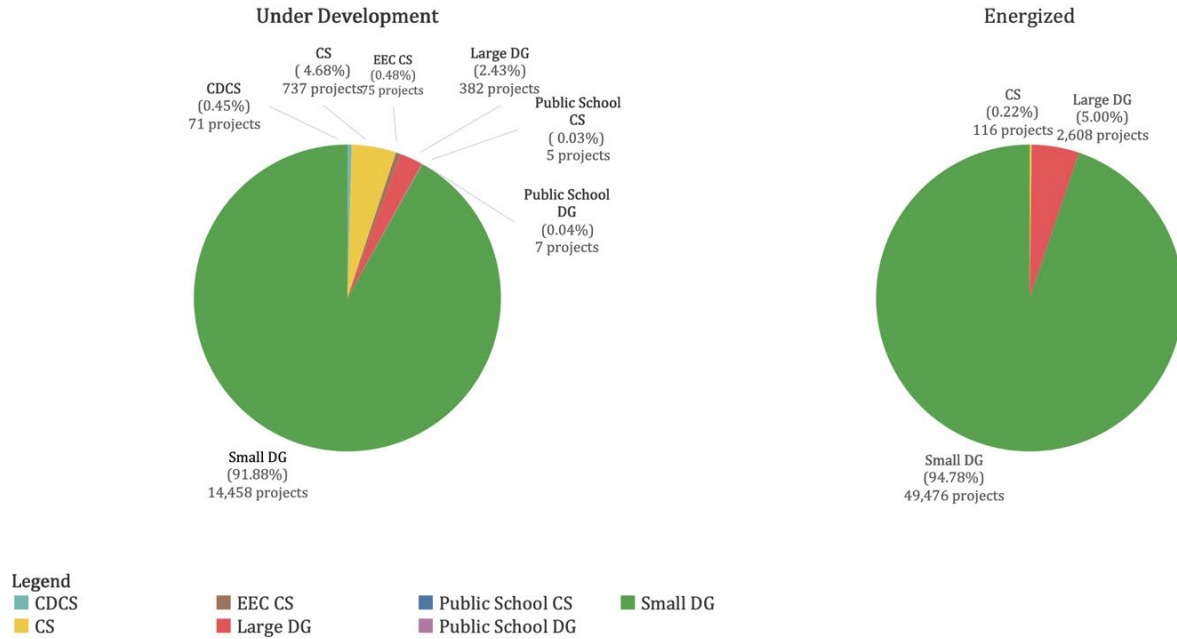
Legend

■ Group A ■ Group B

Source: Planning and Procurement Bureau, Illinois Power Agency (December 2023)

Note: The Fiscal Year (FY) 2023 corresponds to the period from July 1, 2022 to June 30, 2023.

Figure 9. Illinois Shines - Number of Projects, by Subcategory (Cumulative 2019-2023)



Note: Under Development means the project was approved by the program administrator to receive a REC contract. Energized means the project is completed and producing RECs.

Small Distributed Generation- Distributed Generation projects up to and including 25 kW in size (prior to the December 14, 2021 Program reopening, Small DG projects had to be less than or equal to 10 kW).

Large Distributed Generation - Distributed Generation projects greater than 25 kW in size up to and including 5 MW (prior to the December 14, 2021 Program reopening, Large DG projects had to be more than 10 kW and less than or equal to 2 MW)

Public Schools- Small and Large Distributed Generation applications, as well as community solar projects which serve a public school in Illinois. (For the December 14, 2021 block of capacity for Public Schools, only DG applications were accepted)

Community-Driven Community Solar- community solar projects up to 5 MW in size featuring attributes allowing the project to be evaluated for participation in the community-driven community solar category, as established through Section 1-75(c)(1)(K)(v) of the IPA Act.

Traditional Community Solar- Community Solar projects up to and including 5 MW in size. (Previous blocks of capacity for Traditional Community Solar allowed for projects up to 2 MW in size)

Equity Eligible Contractor- Distributed generation projects or community solar projects that are submitted to the Program by an Equity Eligible Contractor Approved Vendor.

Key Highlights

- Energy Solutions took over as the Program Administrator for the Illinois Shines program in July 2022. Portal administration, website management, and all other Program administrative efforts were transitioned from InClimate to Energy Solutions during this period.

- The new Illinois Shines website was launched July 27, 2023.⁹ The site combined, transformed, and expanded information previously available at the Program’s two websites into a single site for all users, and new information and features will be continually added.
- Illinois Shines Program Year 2023-24 was launched on June 1, 2023. This Program Year included new capacity for project categories to continue the expansion of solar development in Illinois, and brought new requirements, updated Program documents, new REC prices, stakeholder resources, and more. Program Year 2023-24 was the first year in which the MES requirements were implemented under P.A. 102-0662’s Equity Accountability System. The MES requires a certain percentage of Equity Eligible Persons (“EEPs”) be hired to work on projects participating in the Program.¹⁰ The launch of the MES on June 1, 2023, marks an important inaugural year for equity requirements for Program participants. Approved Vendors and Designees (with the exception of EECs) has to comply with this new MES by submitting a mid-year report to demonstrate progress towards meeting the MES for the Program Year. Within Illinois Shines program, of the 168 Approved Vendors that have completed the MES Mid-Year Report for the Illinois Shines Program, 85% report that they are on track to meet the MES.
- In October 2023, the Program Administrator launched a mentorship program to aid minority-owned, veteran-owned, women-owned, and small businesses and EECs navigate the Illinois Shines program with the tools needed to successfully participate in the Program. The mentorship program included weekly training sessions, portal demos, and direct conversation with the Program Administrator and support staff. This first cohort of the mentorship program concluded in December 2023.

Illinois Solar for All

Illinois Solar for All (“ILSFA”) is a state program that brings the benefits of solar energy to income-eligible households, nonprofit organizations, and public facilities. Through the program, eligible participants work with program approved vendors to receive affordable

⁹ www.IllinoisShines.com

¹⁰ Equity Eligible Persons mean “persons who would most benefit from equitable investments by the State designed to combat discrimination, specifically: (1) persons who graduate from or are current or former participants in the Clean Jobs Workforce Network Program, the Clean Energy Contractor Incubator Program, the Illinois Climate Works Pre-apprenticeship Program, Returning Residents Clean Jobs Training Program, or the Clean Energy Primes Contractor Accelerator Program, and the solar training pipeline and multi-cultural jobs program created [by the Future Energy Jobs Act]; (2) persons who are graduates of or currently enrolled in the foster care system; (3) persons who were formerly incarcerated; (4) persons whose primary residence is in an equity investment eligible community.” 20 ILCS 3855/1-10.

solar installations and save money on electric bills. ILSFA ensures that every resident and community in Illinois can access clean and affordable energy.

Current State of Illinois Solar for All

The ILSFA program has continued to grow in 2023 with a variety of new initiatives and additional program requirements. During 2023, the ILSFA Program Administrator updated the ILSFA sub-program names to be more participant-friendly and easier to understand. With the announcement of the Project Submission Window Calendar on August 31, 2022, the sub-programs were rebranded as follows:

- Low-Income Single-Family and Small Multifamily Solar (formerly Low-Income Distributed Generation, 1-4 units) is now called **Illinois Solar for All: Residential Solar (Small) (Residential Solar (Small))**.
- Low-Income Large Multifamily Solar (formerly Low-Income Distributed Generation, 5+ units) is now called **Illinois Solar for All: Residential Solar (Large) (Residential Solar Large)**.
- Low-Income Community Solar is now called Illinois Solar for All: Community Solar (Community Solar).
- Non-Profit and Public Facilities is now called Illinois Solar for All: Non-Profit and Public Facilities (Non-Profit and Public Facilities).

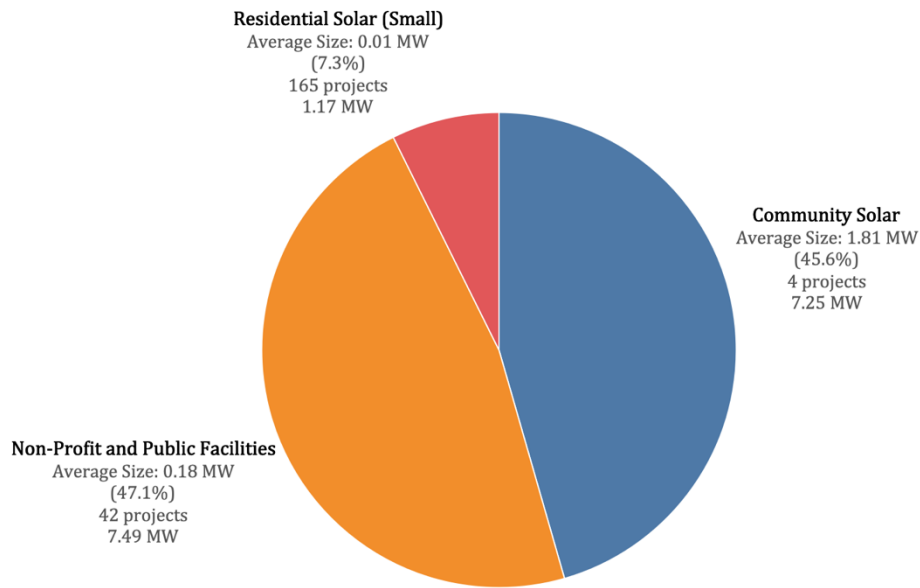
The ILSFA program launched two solar pilot initiatives launched in the summer and fall of 2023 intended to reduce barriers to participation and increase access for income-eligible households to the Residential Solar sub-program within ILSFA.

Additionally, because of CEJA, the program added a 25% sub-program budget carveout for projects featuring energy sovereignty and saw its first ICC approved projects in 2023. Through energy sovereignty projects, ILSFA aims to ensure that a quarter of the solar built will eventually be owned by those receiving the power. By promoting projects that feature energy ownership, ILSFA hopes to empower local communities to control and reap benefits of solar over and above energy bill savings. Furthermore, on June 30, 2023, Public Act 103-0188 instituted prevailing wage requirements to ILSFA's Community Solar, Non-Profit and Public Facilities projects.¹¹ Solar developers participating in ILSFA are now required to pay their workers fair wages on their solar projects.

¹¹ See: <https://www.ilga.gov/legislation/publicacts/103/PDF/103-0188.pdf>

Looking ahead, ILSFA will continue to grow as these initiatives take off. In 2024, the program looks forward to the rollout of the U.S. Department of Energy’s Low-Income Clean Energy Connector. Through the connector tool, the Program hopes to address barriers to community solar adoption by low-income households and enable equitable access to community solar.

Figure 10. ILSFA - Project Distribution, by System Capacity (FY 2023)



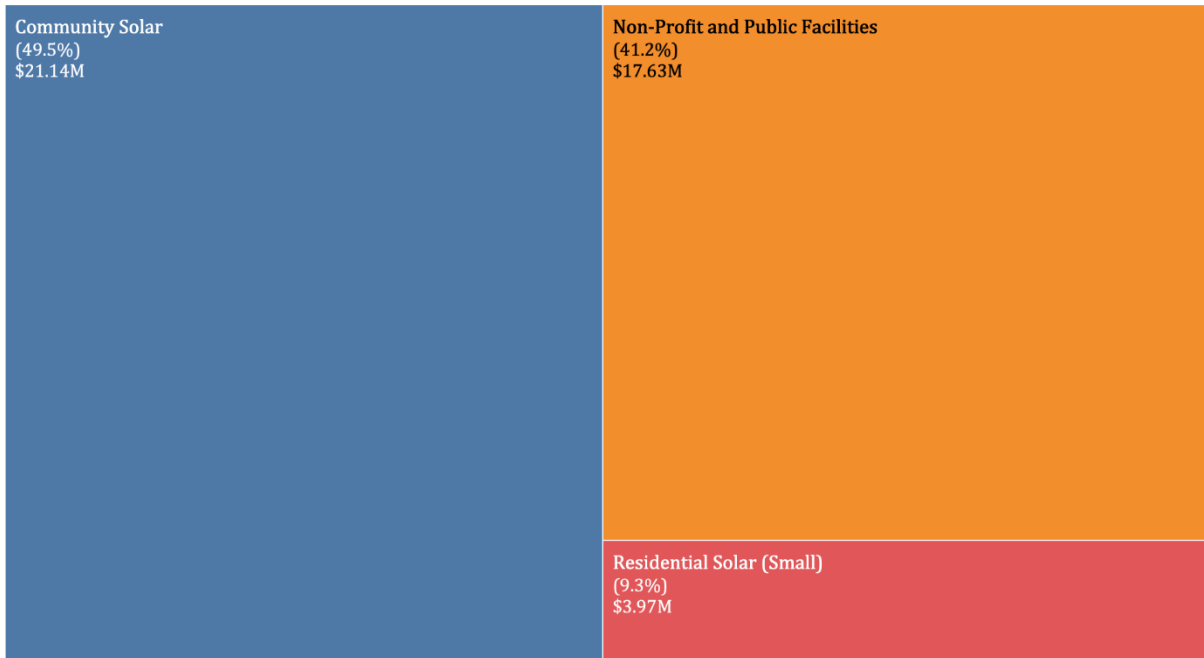
Legend

- Community Solar
- Non-Profit and Public Facilities
- Residential Solar (Small)

Source: Planning and Procurement Bureau, Illinois Power Agency (December 2023)

Note: The Fiscal Year (FY) 2023 corresponds to the period from July 1, 2022 to June 30, 2023.

Figure 11. ILSFA - Project Distribution, by REC Incentives (FY 2023)



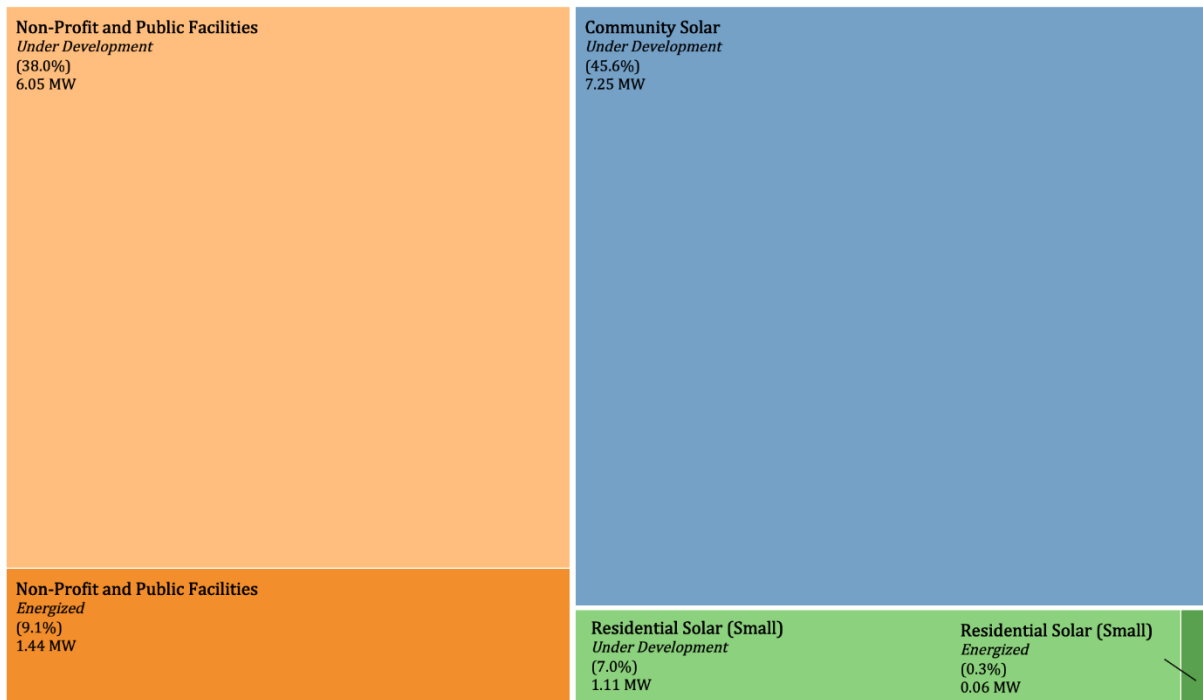
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- Community Solar
- Non-Profit and Public Facilities
- Residential Solar (Small)

Source: Planning and Procurement Bureau, Illinois Power Agency (December 2023)

Note: The Fiscal Year (FY) 2023 corresponds to the period from July 1, 2022 to June 30, 2023.

Figure 12. ILSFA - Energized vs. Under Development, by Project Type (FY 2023)



Legend

- Community Solar, Under Development
- Non-Profit and Public Facilities, Energized
- Non-Profit and Public Facilities, Under Development
- Residential Solar (Small), Energized
- Residential Solar (Small), Under Development

Source: Planning and Procurement Bureau, Illinois Power Agency (December 2023)

Note: The Fiscal Year (FY) 2023 corresponds to the period from July 1, 2022 to June 30, 2023.

Under Development refers to projects approved by the program administrator to receive a REC contract. Energized means the project is complete and producing RECs.

Residential Solar (Small and Large)

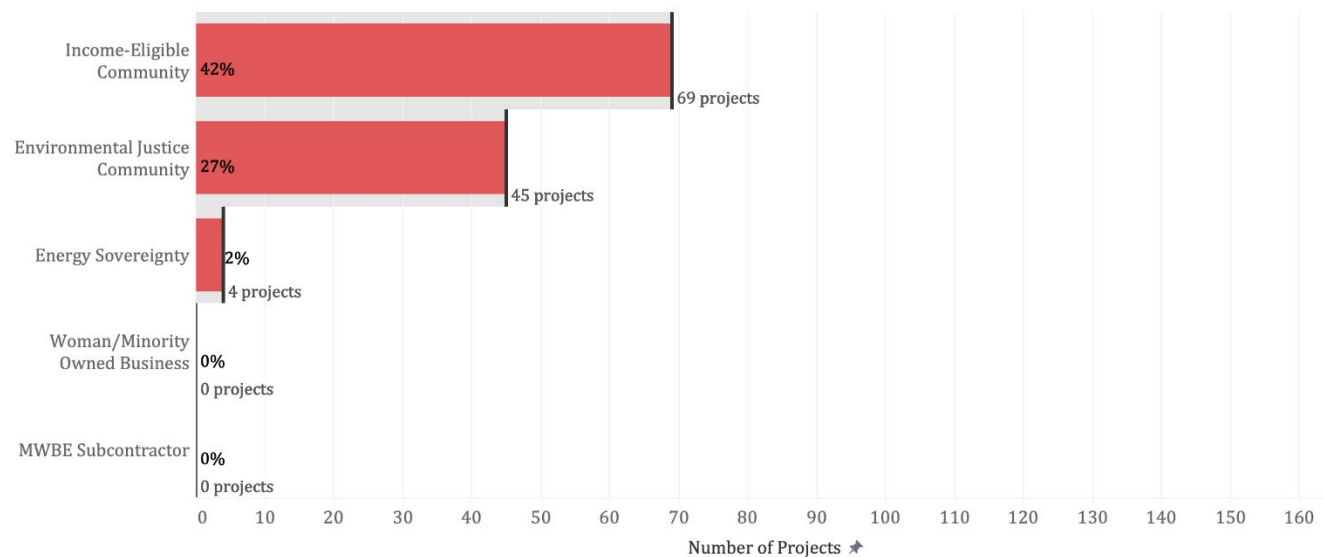
The Residential Solar (Small) sub-program has notably continued to gain traction. In FY 2023, 165 Residential (Small) projects were ICC Approved, totaling 1.17 MW of capacity (as seen in Figure 10) and \$3,973,456.64 (\$3.97 million) in REC incentive value (“incentives”) (as seen in Figure 11). This growth has continued, from July 2023 to December 2023, the number of approved projects nearly doubled FY23 with 309 projects totaling 2.16 MW and \$7,108,356.78 in incentives for 1-4 unit residences. In addition to increased project

approvals, the sub-program had more Approved Vendors (“AVs”) participating than in previous years. There were four AVs supporting Residential (Small) offers, but almost three quarters of the projects were from one of those AVs. These projects were predominately sited in the ComEd service territory (~90%), with most of the remaining projects located in the Ameren territory, except one project in MidAmerican territory, one project in a municipal utility in the MISO territory, and another in a municipal utility in the PJM territory.

No Residential Solar (Large) projects were approved by the ICC in 2023. By project count, in FY 2023 27% are in EJsCs, and 42% are in income-eligible communities (as seen in Figure 13). To date, 22% of all approved Residential Solar (Small) projects and 25% of all approved Residential Solar (Large) projects have been energized.

Four projects (2% of total projects) were energy sovereignty projects in FY 2023 (as seen in Figure 13), totaling 32.00 kW of capacity (3% of total capacity) and \$113,236.58 of incentives. From July 2023 through December 2023, an additional two projects (0.55% of total capacity) were energy sovereignty totaling 12.00 kW of capacity (0.65 % of total capacity) and \$34,465.34 of incentives.

Figure 13. ILSFA - Residential Solar (Small), by Equity Category (FY 2023)



Source: Planning and Procurement Bureau, Illinois Power Agency (December 2023)

Note: The Fiscal Year (FY) 2023 corresponds to the period from July 1, 2022 to June 30, 2023.

Shows distribution of a total of 165 Residential Solar (Small) projects into Equity categories. Percentages do not add up to 100% because one project may simultaneously fall into more than one category.

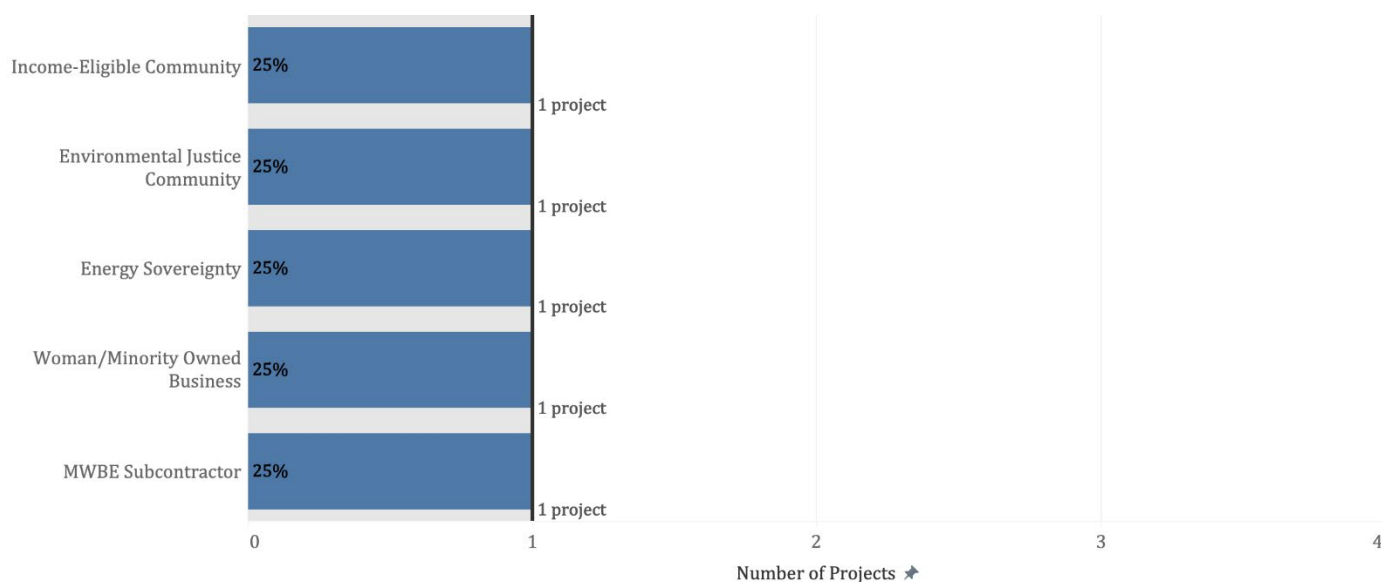
Bars represent the percentage of each equity category out of the total number of projects. The reference line and shaded area represent the number of projects within each category.

Community Solar

The Community Solar sub-program continues to attract robust interest and approved its first project Energy Sovereignty project, featuring a community owner.

Four projects were ICC Approved in FY 2023, totaling 7.25 MW of capacity (as seen in Figure 10) and \$21,143,231.98 (\$21.14 million) of REC incentives (as seen in Figure 11). By project count, one project is located in an EJC, one is project located in an income-eligible community, one project will be developed by a Woman/Minority Owned Business, and one project features an MWBE as a subcontractor (as seen in Figure 14). To date, 50% of all approved Community Solar projects have been energized. One project is an energy sovereignty project, totaling 2 MW (28% of total capacity) and \$6,946,142.19 (\$6.95 million) in REC incentives. An additional project was approved from July 2023 through December 2023 totaling 1.50 MW of capacity and \$3,970,471.18 (\$3.97 million) in incentives.

Figure 14. ILSFA - Community Solar Distribution, by Equity Category (FY 2023)



Source: Planning and Procurement Bureau, Illinois Power Agency (December 2023)

Note: The Fiscal Year (FY) 2023 corresponds to the period from July 1, 2022 to June 30, 2023.

Shows distribution of a total of 4 Community Solar projects into Equity categories. Percentages do not add up to 100% because one project may simultaneously fall into more than one category.

Bars represent the percentage of each equity category out of the total number of projects. The reference line and shaded area represent the number of projects within each category.

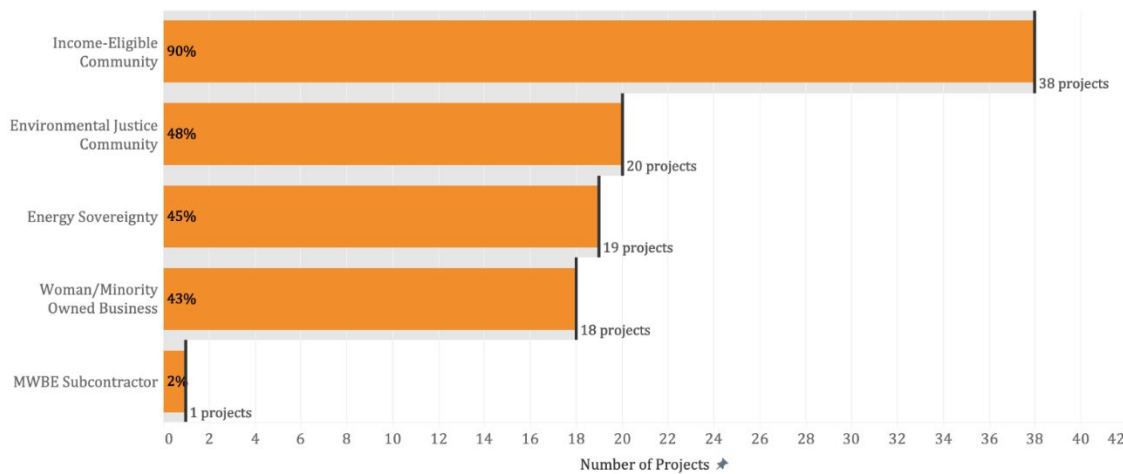
Non-Profit and Public Facilities

The Non-Profit and Public Facilities sub-program had high interest this year and represents the sub-program with the most Energy Sovereignty projects, with nearly half of the projects featuring transfers of ownership of the project to the host.

In this sub-program, 42 projects were ICC Approved in FY 2023, higher than all previous years, totaling 7.49 MW of capacity (as seen in Figure 10) and \$17,890,418.36 (\$17.89 million) in incentives (as seen in Figure 11). By project count, 48% are in Environmental Justice Communities, 90% are in income-eligible communities, 18 projects are developed by a Woman/Minority Owned Business and one project featured an MWBE as a subcontractor (as seen in Figure 15). To date, 57% of all approved Non-Profit and Public Facilities projects have been energized.

From July 2023 through December 2023, 22 projects were approved totaling 2.51 MW of capacity and \$6,575,111.18 (\$6.57 million) in incentives. In addition to the high participation of projects with energy sovereignty in FY 2023, from July 2023 through December 2023 13 projects were approved with energy sovereignty, accounting for 59% of all approved projects during that time period and totaled \$5,310,871.64 (\$5.31 million) in incentives and 2.01 MW of capacity.

Figure 15. ILSFA - Non-Profit and Public Facilities Distribution, by Equity Category (FY 2023)



Source: Planning and Procurement Bureau, Illinois Power Agency (December 2023)

Note: The Fiscal Year (FY) 2023 corresponds to the period from July 1, 2022 to June 30, 2023.

Shows distribution of a total of 42 Non-Profit and Public Facilities into Equity categories. Percentages do not add up to 100% because one project may simultaneously fall into more than one category.

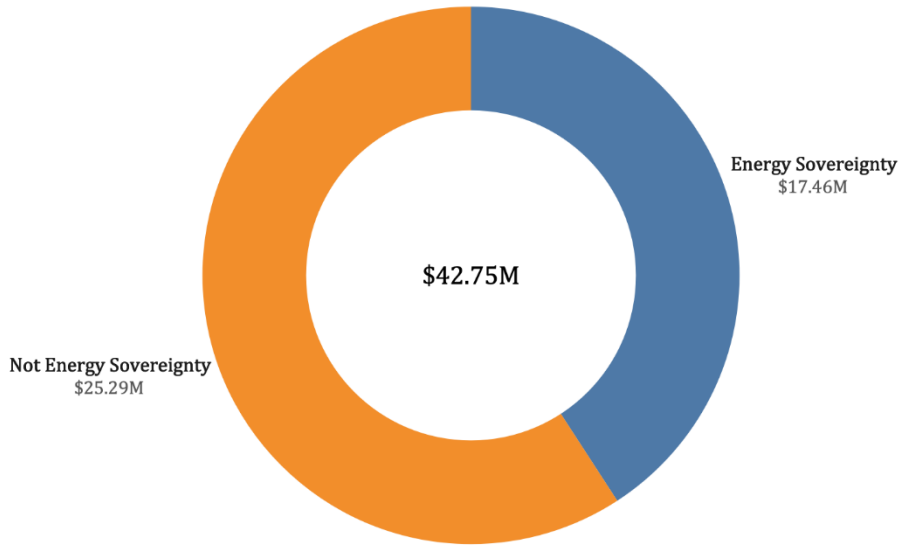
Bars represent the percentage of each equity category out of the total number of projects. The reference line and shaded area represent the number of projects within each category.

Key Highlights

- The ILSFA Advisory Committee was established in January 2023. 23 members were selected to participate, including five Approved Vendors, two Grassroots Educators, four Program Participants, two Community Action Agencies, one Solar Industry Representative, three Advocacy Groups, four utility representatives (one from ComEd, two from Ameren, and one from MidAmerican) and one ICC representative. These members are representative of Northern, Central and Southern Illinois, as well as one out of state member. The Advisory Committee has provided feedback on ILSFA topics such as consumer protections updates and increasing participation of projects that feature energy sovereignty. To date, ILSFA has held seven Advisory Committee meetings.
- ILSFA launched the Bright Neighborhoods residential pilot program in August 2023. The pilot offers income-eligible residents in three Illinois communities the opportunity to access affordable solar installations through ILSFA. This initiative will test and evaluate ways to improve participation levels in three areas: West Garfield Park in Chicago, the city of Waukegan, and the Carbondale-Marion Micropolitan Statistical Area, all of which have high numbers of income-eligible households, but low participation rates in ILSFA. The pilot has a goal of 50-100 total installations within each of the three communities. Under this initiative, the ILSFA Program Administrator will manage marketing, public outreach, participant interactions, income verification, and an initial site suitability assessment. The Bright Neighborhoods aims to reduce barriers to participation and increase access for income-eligible households to the Residential Solar sub-program within ILSFA. ILSFA opened the Home Repair Pilot July 2023, intended to improve participation in the Residential Solar (Small) subprogram by offering incentives that help address home repair costs, which can be a barrier for small residential customers hosting solar panels. The Pilot is expected to serve 100-125 projects.
- ILSFA was named as one of five grand prize winners of the U.S. Department of Energy's ("DOE") American-Made 2023 Sunny Awards. Five teams were selected by the DOE's National Community Solar Partnership to receive a \$10,000 Grand Prize for their community solar projects or programs. Out of the five teams, ILSFA was the only state program winner of a Grand Prize Sunny Award this year. Inaugurated by the DOE in 2022, the Sunny Awards is a prize competition that recognizes community solar projects and programs that employ or develop best practices to increase equitable access to the meaningful benefits of community solar for limited- and middle-income residential subscribers and their communities.
- In 2023, the ICC approved, for the first time, projects that provided energy sovereignty to participants. Energy Sovereignty projects provide tangible ownership benefits to participants. 24 projects with a combined capacity of 6.40 MW, providing incentives of \$17,456,166.52 (\$17.46 million) for energy sovereignty were approved in FY 2023 (as seen in Figure 16). An additional, 15 projects have been approved from

July 2023 to December 2023, totaling \$5,345,336.98 (\$5.35 million) in incentives and 2.03 MW of capacity.

Figure 16. ILSFA - Energy Sovereignty Project Proportion, by REC Incentives (FY 2023)



Legend

- Energy Sovereignty
- Not Energy Sovereignty

Source: Planning and Procurement Bureau, Illinois Power Agency (December 2023)

Note: The Fiscal Year (FY) 2023 corresponds to the period from July 1, 2022 to June 30, 2023.

- ILSFA updated its Environmental Justice and Income-Eligible Community maps in June 2023 based on updated EJSCREEN and Census data. Projects sited in areas designated by either the previous or updated maps will be recognized as EJC projects in the 2023-2024 Program Year.¹²
- The U.S. DOE and National Community Solar Partnership (“NCSP”) work on the Low-Income Clean Energy Connector, a digital tool that connects Low-Income Home Energy Assistance Program (“LIHEAP”) recipients with community solar with verified savings

¹² The IPA and ILSFA Program Administrator have identified environmental justice communities in Illinois based on a methodological framework established in the Long-Term Plan.

and strong consumer protections more accessible to households participating in government-run low-income support programs has made significant strides in its development and implementation process. As one of the three pilot states participating in the connector, ILSFA has participated in initial testing of features for the State Admin user type, evaluating system accessibility and compatibility. The Connector conducted live demos for state LIHEAP admin and LIHEAP Administer Agency's ("LAAs"), providing Illinois' nine LAAs the opportunity to see the system and provide state specific feedback and engagement. In addition to live demos, Illinois has proactively initiated collaboration with the Department of Commerce and Economic Opportunity – Office of Community Assistance and the 9 participating LAAs to ensure a seamless integration of the DOE Connector.

- In response to the enactment of Public Act 103-0188 in July of 2023, which adds prevailing wage requirements to Community Solar and Non-Profit and Public Facilities projects, the Community Solar and Non-Profit and Public Facilities sub-program submission windows were delayed in opening in 2023 to get needed program supports and tracking in place.¹³ All projects submitted to the ILSFA program after July 3, 2023, that receive a renewable energy credit ("REC") contract are considered public works and are subject to the requirements of the Prevailing Wage Act, with the exception of Residential Distributed Generation projects and Distributed Generation projects that serve houses of worship and do not exceed 100 kW AC.

Utility-scale Wind, Solar, and Brownfield Site Procurements

As part of administering the Illinois RPS, the IPA conducts competitive procurement events for RECs from new utility-scale wind, utility-scale solar, and brownfield site photovoltaic projects. The utility-scale projects are larger in scale than the projects participating in the Illinois Shines Program which support specific homes or businesses, while solar projects sited on brownfields may be of a smaller scale but help to incentivize development on blighted or contaminated land that meets certain statutory criteria for eligibility.

These procurement events are conducted twice a year. Renewable energy project developers submit bids to sell RECs from their proposed projects for a twenty-year term, with Ameren Illinois, ComEd, and MidAmerican as the buyers of those RECs. The Agency's procurement of RECs from utility-scale wind, solar, and brownfield utilizes an indexed REC pricing approach that was established by CEJA. Indexed REC prices change based on energy markets, which,

¹³ <https://www.ilga.gov/legislation/publicacts/103/PDF/103-0188.pdf>.

in practice, reduces market risk for renewable developers by offering projects stable revenues.

Current State of Utility-Scale Wind, Utility-Scale Solar, and Brownfield Site Photovoltaic Project Procurements

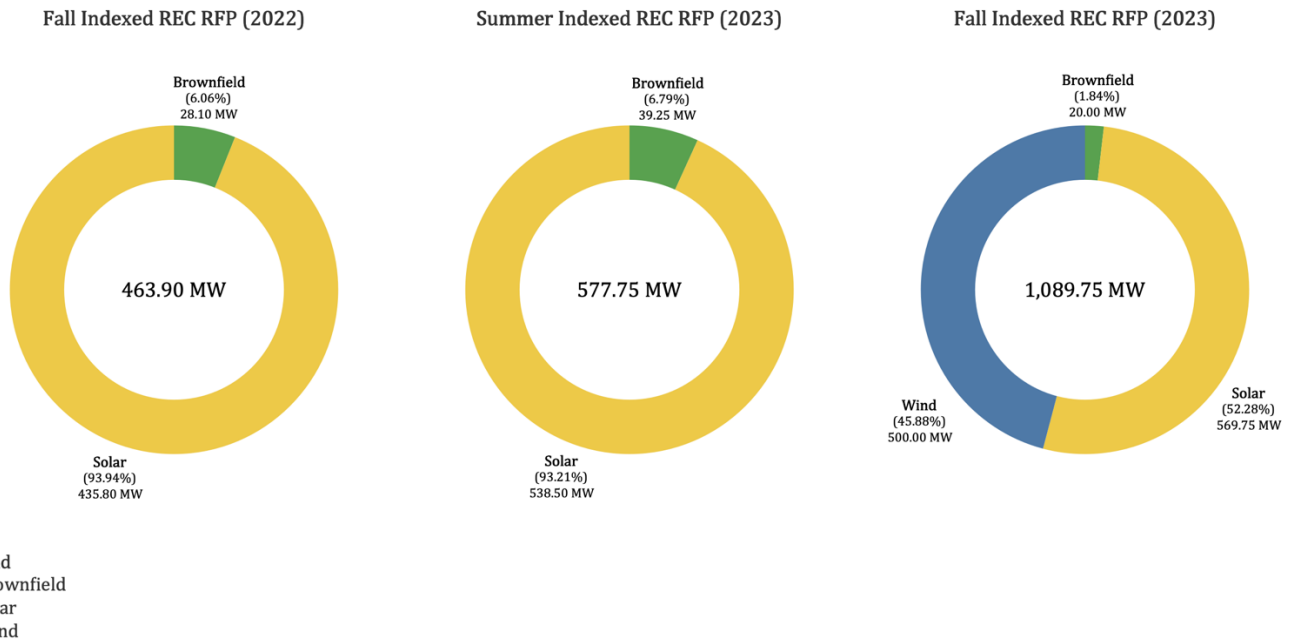
The Agency conducted two procurements of Indexed RECs in FY23, and a subsequent procurement in December 2023.

On December 15, 2022, the ICC approved the bids for Indexed RECs from seven new utility-scale solar projects (435.80 MW) and four new brownfield site photovoltaic projects (28.10 MW) (as seen in Figure 17). No bids from utility-scale wind projects were selected. The average winning bid price (\$/MWh) was \$72.59.

On June 29, 2023, the ICC approved the bids for Indexed RECs from seven new utility-scale solar projects (422.5 MW) and three new brownfield site photovoltaic projects (39.25 MW) (as seen in Figure 17). The average winning bid price was \$69.83.

On December 14, 2023 the ICC approved the bids for Indexed RECs from two new utility-scale wind projects (500.00 MW), seven new utility-scale solar projects (569.75 MW) and one new brownfield site photovoltaic project (20.00 MW) (as seen in Figure 17). The average winning bid price was \$74.10.

Figure 17. Utility-Scale Indexed REC RFP (FY 2023 – December 2023)



Source: Planning and Procurement Bureau, Illinois Power Agency (December 2023)

Note: The Fiscal Year (FY) 2023 corresponds to the period from July 1, 2022 to June 30, 2023, which includes the following procurement rounds: Fall (2022) and Summer (2023). This comparative chart includes the Fall (2023) procurement round.

Fall Indexed RECs (2022) were approved by the ICC on December 15, 2022. Summer Indexed RECs (2023) were approved by the ICC on June 29, 2023. Fall Indexed RECs (2023) were approved by the ICC on December 14, 2023.

The bid prices listed above are strike prices, not the actual price paid for RECs. The actual price paid for RECs will be determined each month once projects are completed by subtracting the wholesale energy price from the strike price for each project. The resulting REC price will thus go up and down as energy prices go down and up, and could potentially result in negative REC prices during high energy price times.

After a successful procurement in the Spring of 2022, the Agency also conducted the second Coal-to-Solar Procurement in the Fall of 2022, however, no proposals were submitted. The purpose of this procurement was to acquire RECs derived from new utility-scale solar facilities, and co-located storage facilities that are installed at or adjacent to sites of electric generating facilities that burn or burned coal as their primary fuel source, and that meet eligibility criteria. These procurements were a one-time set of procurements mandated by CEJA and are not supported by RPS funds.

Key Highlights

- After one wind project was selected in the June 2022 Indexed REC procurements, no projects were selected in the subsequent two procurements conducted in FY 23, before two projects were selected in the December 2023 procurement. In response to concerns about the results of the Indexed REC procurements for wind projects the Agency, the IPA and the Procurement Administrator, NERA, engaged in extensive research and efforts, including:
 - The IPA and the Procurement Administrator solicited stakeholder feedbacks on procurement structures, contracts, and other requirements.
 - The procurement administrator team reviewed industry reports and available data regarding land-based wind project development in the U.S. to get a sense of barriers and potential solutions to address the issue.
 - The Procurement Administrator conducted calls with renewable developers and to inform them about the opportunity and to understand if there are any participation barriers.
- Research and stakeholder engagement efforts yielded insights to factors affecting participation for wind projects, including the following:
 - Several developers have misunderstood key elements of the Indexed REC opportunity, including the design of the Indexed REC mechanism to reduce revenue uncertainty for developers, and the process to ascertain the eligibility of adjacent state projects.
 - Between 2019 to 2020, the renewables industry experienced a steep decline in wind projects entering the development pipeline. Because it takes time for projects from the time of interconnection request application to the time the project is ready to participate in IPA procurement (generally 3-5 years from request to completion of studies in MISO), the weak participation for wind projects may be a reflection of the delayed impacts from this slowdown of new wind interconnection requests in 2019–2020.¹⁴
 - Wind development requires longer lead times and higher upfront costs. This is because:
 - Wind projects require more site control, which takes more time to secure.

¹⁴ Midcontinent Independent System Operator (“MISO”), is a regional transmission organization responsible for managing electricity transmission in 15 U.S. states, including Illinois.

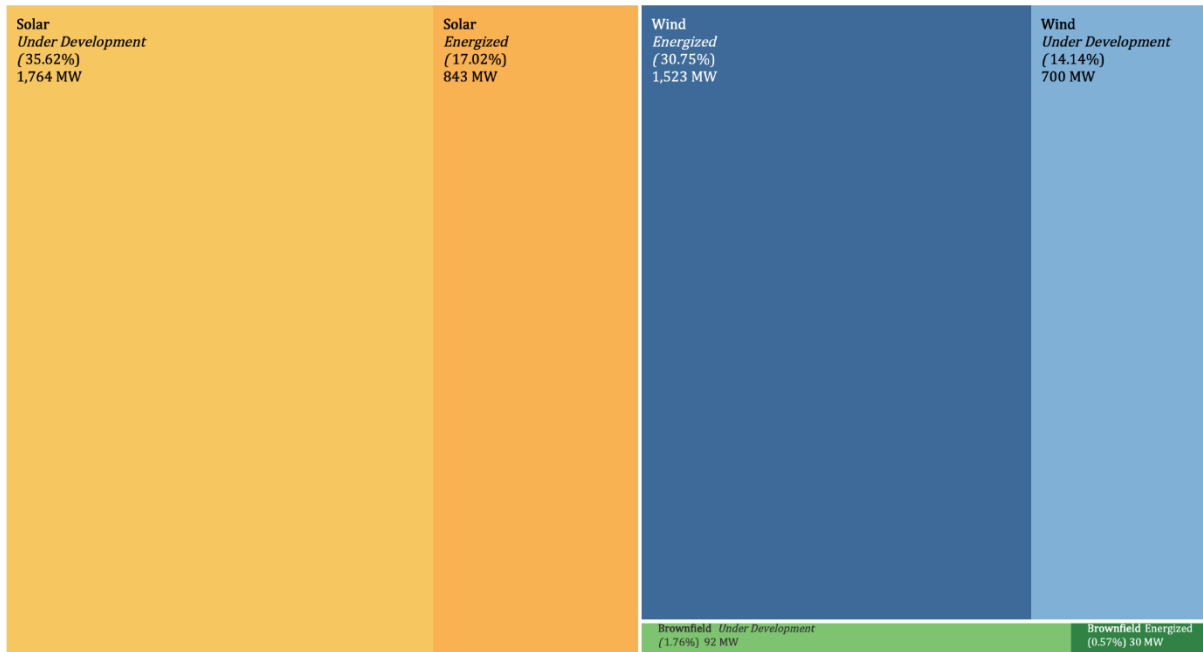
- Wind projects spend more time in the interconnection queue. Wind projects in MISO takes, on average, 6 months longer to complete the system impact studies than solar projects.
 - Permitting process is also longer and more challenging for wind. For example, avian impact studies can pose a significant bottleneck for wind development.
- Programs focused on development of community solar projects such as the Illinois Shines Program and ILSFA serve as incubating environments for solar developers to start small, to learn about Illinois specific requirements such as labor or equity requirements, and then scale to larger utility-scale solar projects. However, there is no analogous program focused on wind development.
- There is a thriving renewables voluntary market that is competing for bidder interest with the Indexed REC opportunity. Given the unique challenges of developing wind projects it could be that wind developers are seeking offtake commitments earlier in the development cycle from the voluntary renewables market instead of securing an offtake agreement through the Indexed REC RFP.

Given these findings, the Agency will continue to monitor participation barriers, to facilitate learning by the wind developer community about the opportunity, and to enhance the RFP and contract provisions to ensure the Indexed REC opportunity is attractive to participants.

- The participation level for brownfield site photovoltaic projects declined for the December 2023 procurement and the Agency will continue explore barriers to participation with the goal of improving results in future procurements.

Figures 18, 19, and 20 provide a snapshot of utility-scale projects supported by the Illinois Power Agency from 2010 to the present. This includes the Agency's first procurement for Long-Term Power Purchase Agreements in 2010, procurements conducted after the enactment of the Future Energy Jobs Act in 2017, and recent procurements conducted in 2022 and 2023 under the Indexed REC model pursuant to the Climate and Equitable Jobs Act.

Figure 18. Utility-Scale Projects, Energized vs. Under Development by Energy Source (Cumulative 2010-2023)



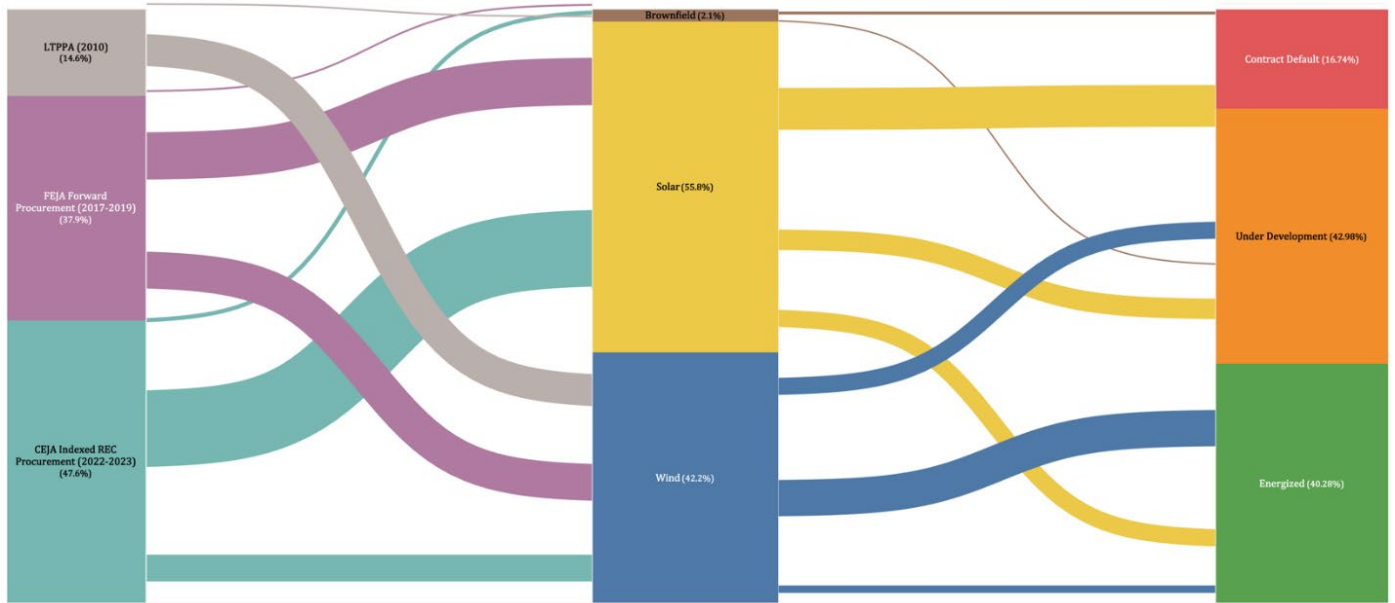
Legend

- Brownfield, Energized
- Brownfield, Under Development
- Solar, Energized
- Solar, Under Development
- Wind, Energized
- Wind, Under Development

Source: Planning and Procurement Bureau, Illinois Power Agency (December 2023)

Note: Under Development includes LTPPAs (2010) and Indexed REC procurements (2022-2023). Energized includes Post FEJA Forward Procurements (2017-2019).

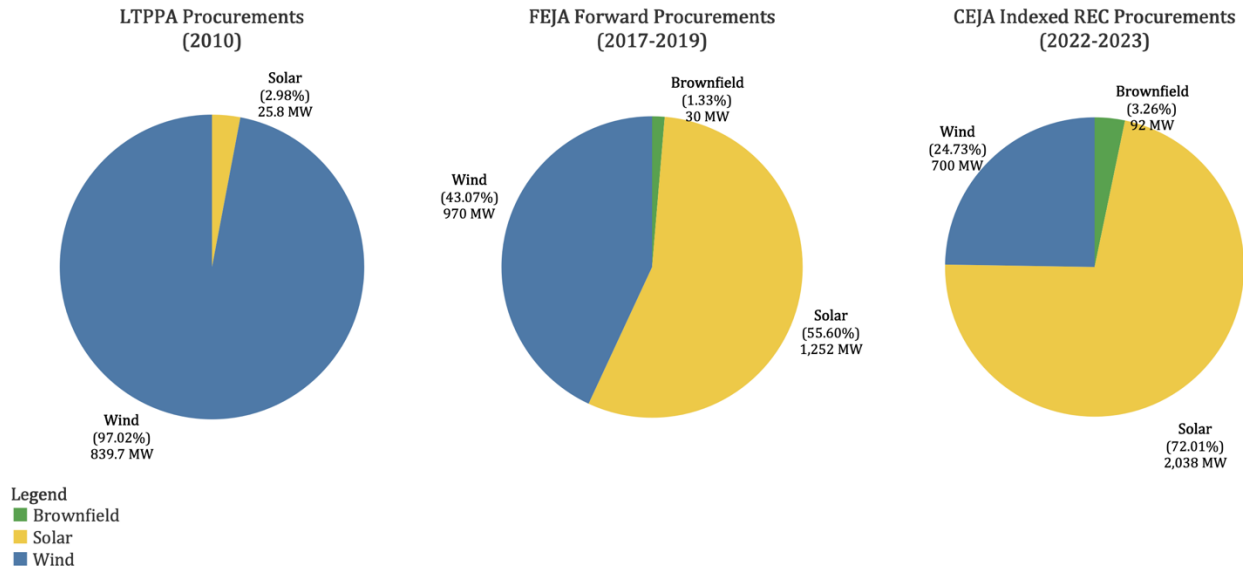
Figure 19. Utility-Scale Projects, by Procurement, Energy Source, and Energization Status (Cumulative 2010-2023)



Source: Planning and Procurement Bureau, Illinois Power Agency (December 2023)

Note: The Future Energy Jobs Act (FEJA) was enacted in 2017. The Climate and Equitable Jobs Act (CEJA) was enacted in 2021. LTPPAs refers to Long-Term Power Purchase Agreements.

Figure 20. Utility-Scale Procurements, by Energy Source (2010-2023)



Source: Planning and Procurement Bureau, Illinois Power Agency (December 2023)

Note: The Future Energy Jobs Act (FEJA) was enacted in 2017. The Climate and Equitable Jobs Act (CEJA) was enacted in 2021. LTPPAs refers to Long-Term Power Purchase Agreements.

Self-direct Program

CEJA directed the IPA to develop a new Self-direct Renewable Portfolio Standard Compliance Program (“Self-direct Program”). The Self-direct Program encourages large electric load Illinois customers (aggregated demand over 10 MW) served by ComEd or Ameren Illinois to retire RECs acquired through private long-term contracts with new utility scale-wind and/or solar projects. In exchange, those customers receive a reduction in RPS charges on their electric bills.

Current State of the Self-direct Program

The first program year for the Self-direct program started on June 1, 2023. Leading up to that date, the Agency took applications from February 1 through March 15, 2023. On IPA 2023, the IPA announced the approval of two applications. The participants approved for the program were:

- Goldframe LLC (Meta)
- Lincoln Land Wind Verizon Blooming Grove Wind Energy Center

The IPA set a program size of 3 million RECs for the inaugural 2023-2024 program year. The expected aggregated REC quantity for the approved participants in the 2023-2024 delivery year is between 500,000 and 1 million RECs.

Key Highlights

As a new program launched only a year and a half after the enactment of CEJA, the self-direct program structure was new to the market, and projects that would be developed in response to the introduction of the program are still under development and thus not yet eligible to apply to the program. The Agency expects participation to increase in subsequent program years.

STRENGTHENING DIVERSITY, EQUITY, AND INCLUSION

The IPA is committed to Diversity, Equity, and Inclusion (“DEI”). The IPA recognizes that DEI is central to its mission and is imperative to the work we do as an Agency. At the IPA, we strive to: ensure the uniqueness and dignity of all individuals; foster a culture of belonging and strive for equity; ensure DEI principles inform our work in the clean energy sector; and strengthen and advance equity in the clean energy industry by increasing access to the growing clean energy economy for communities that have been historically excluded from economic opportunities with the energy sector.

With the enactment of CEJA, the IPA has taken significant measures to prioritize equity in the clean energy sector. This includes the development and launch of an Equity Accountability System to ensure diversity among contractors and workers participating in the Agency's solar incentive programs and renewable resource procurements. The IPA is actively engaged in outreach efforts to educate entities on equity requirements and increase stakeholder engagement. Additionally, the IPA is collecting demographic and geographic data from entities participating in its programs and procurements to monitor and improve the equitable distribution of benefits in the clean energy economy.

Current State of DEI

Equity Accountability System and Equity Accountability System Assessment

The Equity Accountability System (“EAS”) was created to help achieve equity in Illinois’s clean energy economy. This includes the implementation of the Minimum Equity Standard (“MES”) in the Illinois Shines program, and the equity prioritization for competitive procurements. CEJA requires the IPA to conduct an EAS Assessment which analyzes the effectiveness of the Equity Accountability System in increasing participation of EEPs and EECs.

The Agency has developed a timeline and process for conducting the EAS and the Agency will work with its Program Administrators to conduct the research and analysis of the system. This will include analyzing programmatic data, conducting interviews and surveys with regional area businesses, and reviewing data collected from outreach efforts and EEC roundtables. The assessment will be published by August 1, 2024.

Minimum Equity Standard

A key part of EAS, the MES helps ensure that the growing clean energy economy is accessible to everyone. Beginning in Program Year 2023-24, at least 10% of the

work on renewable energy projects supported through certain IPA programs and procurements must be performed by EEPs or EEC. The MES launched on June 1, 2023, required all Approved Vendors and Designees (with the exception of EECs) to comply with this new MES by submitting a mid-year report to demonstrate progress towards meeting the MES for the Program Year. Within Illinois Shines program, of the 168 Approved Vendors that have completed the MES Mid-Year Report for the Illinois Shines Program, 85% report that they are on track to meet the MES.

Equity Eligible Contractor

EECs are eligible for several benefits within the Illinois Shines program. For example, EEC certified Approved Vendors are eligible to submit projects to the EEC block within Illinois Shines, which also enables them to apply for advancement of pre-development capital for that project. This capital advancement pre-energization is intended to serve EEC-certified businesses exhibiting true need and to support a more diverse Approved Vendor pool.

On September 13, 2023, the IPA announced that it received over 30 requests for capital advances summing to over \$75 million, including many from firms or affiliates of firms with robust existing project portfolios. While the Agency attempted to review requests on a case-by-case basis, the lack of established review and approval criteria posed significant challenges in distinguishing between applications to determine genuine need for capital advancement. Therefore, the IPA decided to temporarily pause both the submission and the review of advance of capital requests to build a more robust system for advance of capital requests. On October 31, 2023, the IPA issued a stakeholder request to seek feedback on the rubric developed as criteria for evaluating requests for an advance of capital for projects submitted by EECs. The stakeholder feedback was due on November 14, 2023. After receiving and reviewing comments from stakeholders, the IPA posted final criteria and rationale document on advance of capital requests.

Racial Disparity Study

The IPA has begun its initial research for a Racial Disparity Study that will measure the presence and impact of discrimination on minority businesses and workers in Illinois' clean energy economy. The IPA has conducted a landscape scan of other Illinois state agencies' disparity studies and is compiling comprehensive analyses of those studies to guide our efforts. The IPA plans to release an RFP for a consultant to conduct the study in early 2024 and plans to publish the study after the publishing of the Equity Accountability System Assessment in August 2024.

Energy Workforce Equity Portal

CEJA directed the IPA and Illinois Department of Commerce and Economic Opportunity (“DCEO”) to help historically underserved communities participate in and benefit from the growing clean energy economy. One of the tools to reach that goal is through the development a public-facing portal, the Energy Workforce Equity Portal, that connects clean energy companies and developers with equity eligible job seekers looking to work in the clean energy sector in Illinois.¹⁵

Phase I of the portal was launched in January 2023. The portal connects clean energy companies with Equity Eligible Persons looking to work in clean energy. Making these connections is crucial to ensuring the clean energy industry in Illinois grows in an equitable manner.

Key features of the Phase I portal included:

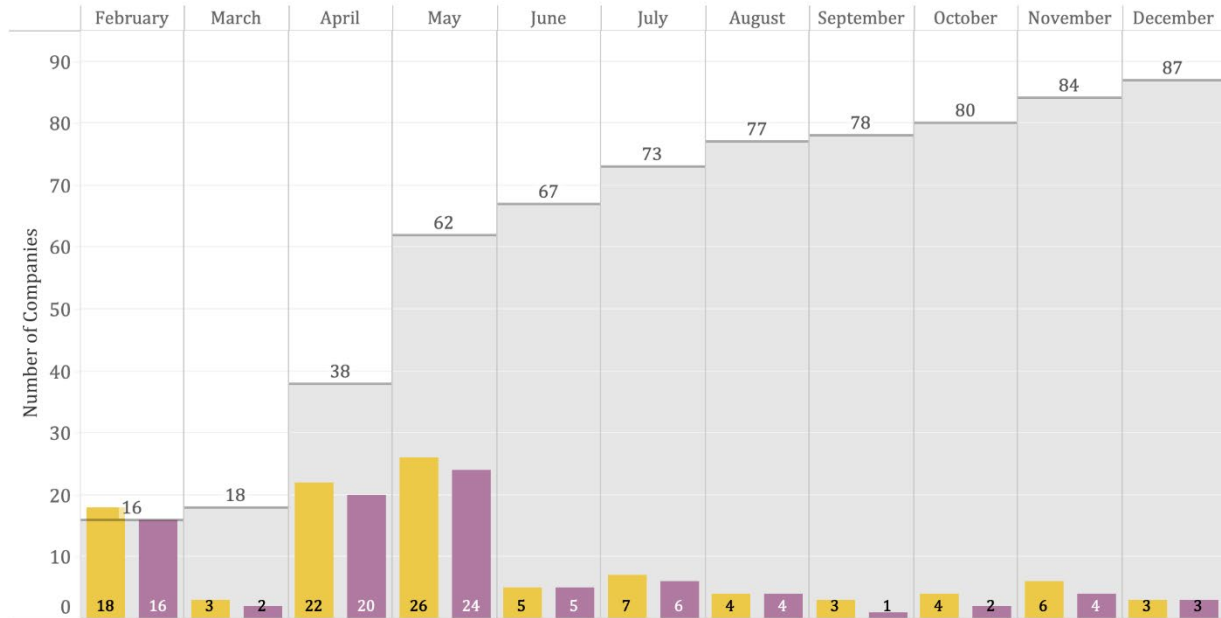
- Job postings from clean energy companies seeking to hire EEPs.
- Information on qualifications and requirements for job seekers to become Equity Eligible Persons.
- An application form to be certified as an Equity Eligible Person. A listing of Equity Eligible Persons who have voluntarily chosen to identify themselves to potential clean energy companies. An Equity Investment Eligible Community (“EIEC”) map that can be utilized by anyone to determine if they, or someone they know, reside in an equity investment eligible community.

Companies:

Since the launch of the Energy Workforce Equity Portal on January 31, 2023, there have been a total of 87 clean energy companies approved to participate on the Portal (as seen in Figure 21). Approval allows for the posting of job descriptions to connect with Equity Eligible Persons. February, April, and May of 2023 had the highest rates of applications. While 101 companies applied, a handful were denied due to a) inability to verify their company, b) duplicate applications, or c) an error in their submission. When additional information is needed, the Agency reaches out to the contact listed in the submission.

¹⁵ <https://energyequity.illinois.gov/>

Figure 21. DEI - Clean Energy Companies
(February - December 2023)



Legend

- Companies Applied
- Companies Approved

Reference Line Legend

- Total Companies Approved

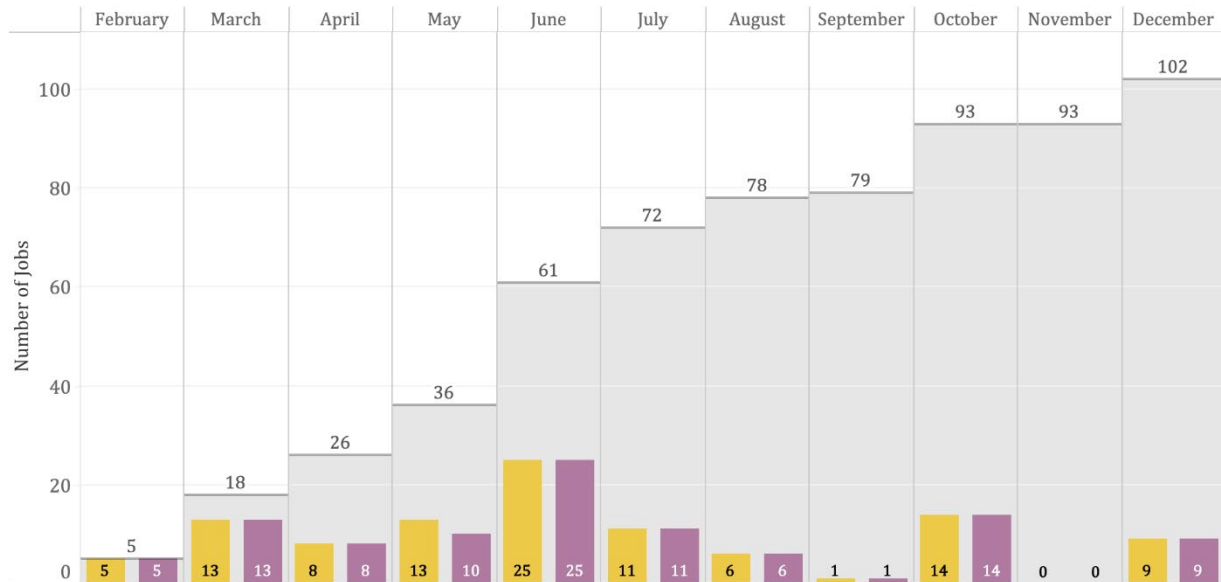
Source: DEI Bureau, Illinois Power Agency (November 2023)

Note: The Energy Workforce Equity Portal launched on January 31, 2023. Therefore, the data for the month of February included the last day of January.

Jobs:

Since the launch of the Portal, 105 jobs have been submitted and 102 jobs have been approved (as seen in Figure 22). The three jobs which were submitted but not posted were denied due to errors in their submissions. For job listings to be posted, the company must first register on the Portal. The Agency reaches out to the contact listed on the listing when additional information is required. When a company is submitting a job posting, they are required to select a listing duration of 30, 60, or 90 days. In an effort to improve the user experience for EEPs, expired job postings are now removed from the Portal. As of the filing of December 31, 2023, there are currently 18 non-expired jobs posted.

Figure 22. DEI - Clean Energy Jobs
(February-December 2023)



Legend
■ Jobs Submitted
■ Jobs Approved

Reference Line Legend
■ Total Jobs Approved

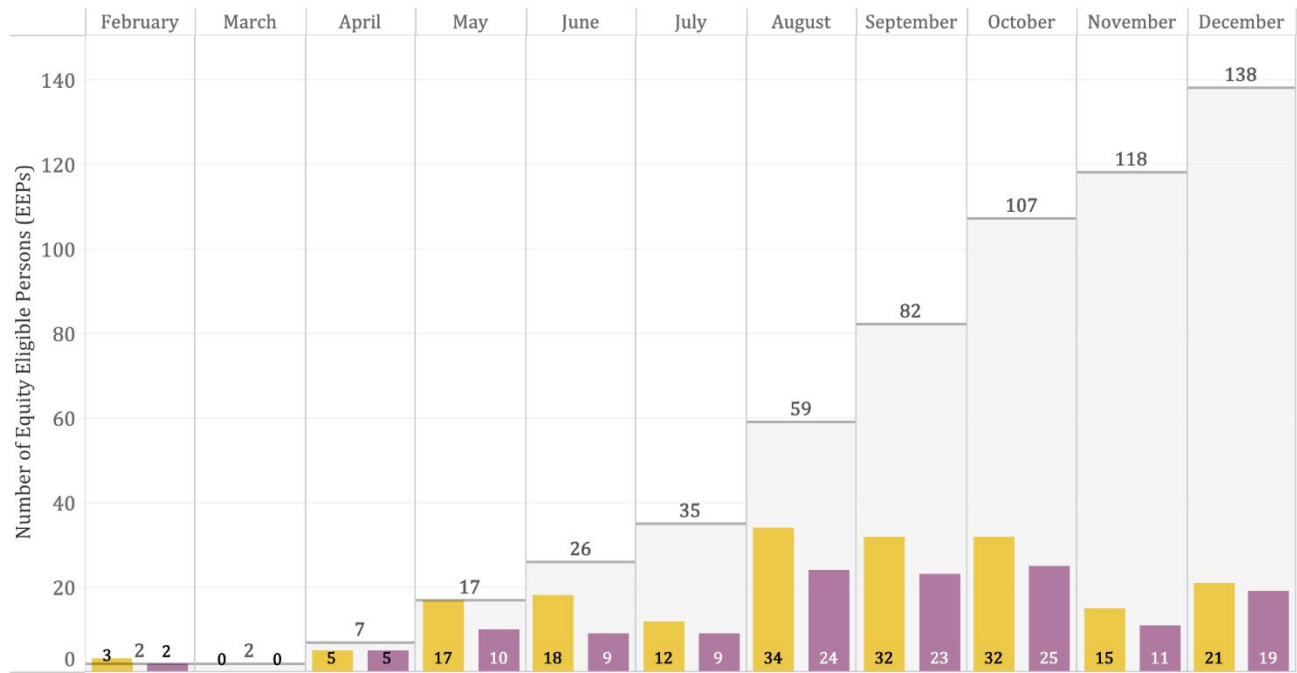
Source: DEI Bureau, Illinois Power Agency (November 2023)

Note: The Energy Workforce Equity Portal launched on January 31, 2023. Therefore, the data for the month of February included the last day of January.

Equity Eligible Persons:

Figure 23 shows the number of individuals who applied to become certified as an EEP each month, the number of individuals who were approved as an EEP each month, and the cumulative total of those individuals who were approved to date month by month. As seen above, August, September, and October had the greatest number of applicants. Individuals are denied EEP status when they are unable to provide verification that they have met one of the qualifications that requires additional documentation (primary residency in an Equity Investment Eligible Community (“EIEC”), and graduate or participant in eligible job training/workforce development program) or when they have not provided a complete application. When additional documentation is required, the Agency will reach out to the individual who applied to obtain that information. If there is no response after multiple follow-ups, the Agency may see it fit to deny the application.

Figure 23. DEI - Equity Eligible Persons (February-December 2023)



Legend

- EEPs Applied
- EEPs Approved

Reference Line Legend

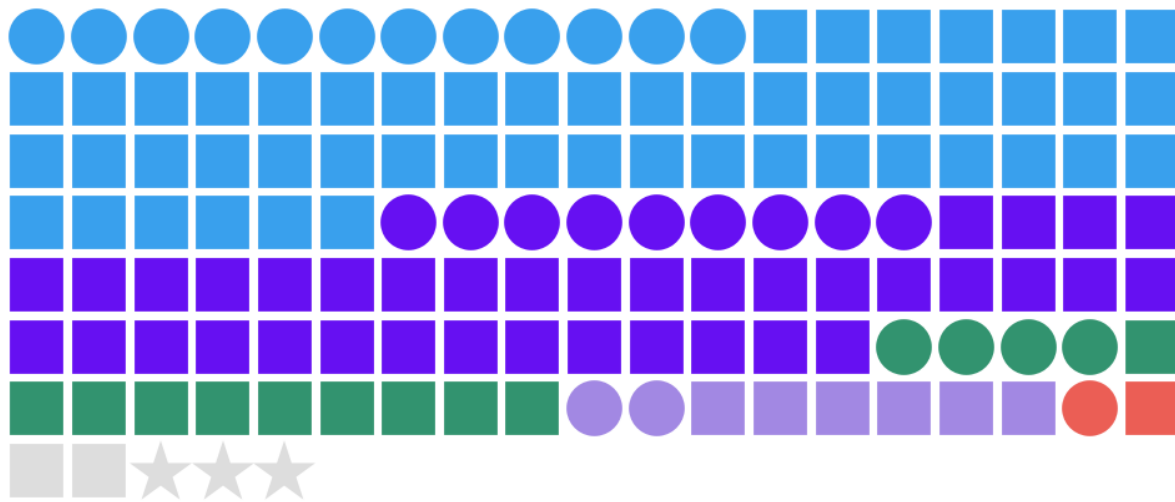
- Total EEPs Approved

Source: DEI Bureau, Illinois Power Agency (November 2023)

Note: The Energy Workforce Equity Portal launched on January 31, 2023. Therefore, the data for the month of February included the last day of January.

For purposes of internal tracking, individuals registering as an EEP are asked to provide their race and/or ethnicity (American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latinx, Native Hawaiian or Other Pacific Islander, White or Caucasian, two or more races, Did not self-identify/Not disclosed) and their gender (Male, Female, Non-Binary, Did not self-identify/Not disclosed). 77.54% of EEPs registered in the Portal are male vs the 20.29% who are female (as seen in Figure 24). Black or African American is the most common race and/or ethnicity on the Portal as well at 46.38% of EEPs, with White being second-most common at 33.33%.

Figure 24. Equity Eligible Persons (EEPs) in the Energy Workforce Equity Portal Gender, Race, and/or Ethnicities Reported in Registration



Gender	EEPs	Percentage of Total EEPs
● Female	28 person(s)	20.29%
■ Male	107 person(s)	77.54%
★ Did not self-identify/Not disclosure	3 person(s)	2.17%

*** Non-Binary is an option when registering on the Portal, but there are currently none who are approved as an EEP.

Race and/or Ethnicities	EEPs	Percentage of Total EEPs
■ Black or African-American	64 person(s)	46.38%
■ White or Caucasian	46 person(s)	33.33%
■ Hispanic or Latinx	19 person(s)	13.77%
■ Two or more races	2 person(s)	1.45%
■ Asian	2 person(s)	1.45%
■ Did not self-identify/Not disclosed	5 person(s)	3.62%

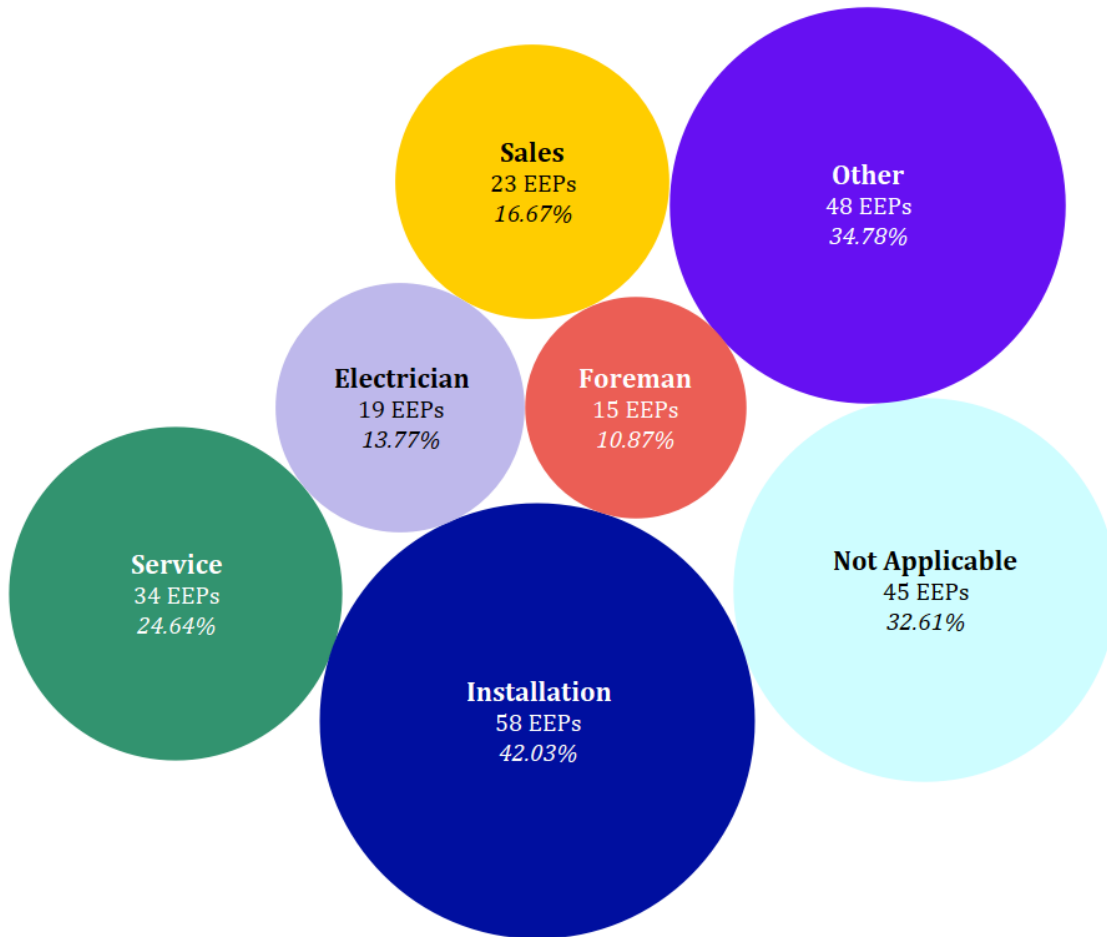
SOURCE: DEI Bureau, Illinois Power Agency (December 2023)

Note: The gender, race and/or ethnicity reflected is collected during the EEP registration process on the Portal. The option of *Two or more races* is available as its own option. For the purpose of this visualization when two or more races were reported, they are reported as under the Two or more races option.

Additionally, when registering as an EEP on our Portal, an individual chooses one or more skill(s) from the following list: Installation, Foreman, Electrician, Sales, Service, Other, Not Applicable. Should the individual choose to have their information visible to employers, their key skills will be shown along with their contact information, regions available to work, and

available shifts. The most common key skill listed by certified EEPs was installation (42.03%), while Other came in at 34.78% (as seen in Figure 25).

Figure 25. Energy Workforce Equity Portal
Skills reported by Equity Eligible Persons (EEPs) registered in the portal



Source: DEI Bureau, Illinois Power Agency (December 2023)

Note: The skills reflected are based on responses to the *List of Key Skills* question during the EEP registration process on the Energy Workforce Equity Portal. Previously an option to report *Non-Applicable; Just certifying as an EEP* was available, this option has been consolidate with Non-Applicable.

DEI Outreach

The IPA's outreach efforts are designed to advance access to communities that have been excluded from economic opportunities within the solar energy sector. To meet this goal, the IPA has prioritized community focused outreach in EIECs to raise awareness about the clean energy sector, share Agency information and resources, and establish community trust. During FY23, the IPA has attended 38 outreach events. 23 were held in Income-Eligible census tract or Environmental Justice Communities. The IPA has conducted 38 trainings conducted with different organizations on the portal and IPA solar programs.

The IPA will continue to increase access to program education, recruitment, and relevant participation. The IPA looks forward to building coalitions with partner organizations to help EEPs and EECs overcome barriers to entry and increase participation in the clean energy sector.

Key Highlights

- Phase II of the Energy Workforce Equity Portal includes numerous other updates to help EEPs enter the clean energy economy. The portal features links to skills development training programs that can help EEPs and non-EEPs build their knowledge and skillset to enter the clean energy workforce. While these training programs are not administered by the Agency, by recognizing the need for this information in the Portal and including skills development resources for EEPs, the IPA continues to strengthen and advance equity in the clean energy industry.
- In September 2023, the EIEC map on the portal was refreshed to include updated Environmental Justice Community areas.
- To help facilitate robust and meaningful participation of EEPs on renewable energy projects and to increase diversity in the clean energy space, the IPA has produced the following brochures and flyers:
 - Illinois Shines Postcard*¹⁶
 - Illinois Solar for All Postcard*¹⁷
 - Energy Workforce Equity Flyer*¹⁸
 - EEP Postcard*¹⁹
 - EEC Postcard²⁰

*Available in Spanish.

¹⁶ <https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/ipa-il-shines-postcard-el-sl.pdf>.

¹⁷ <https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/ipa-ilsfa-postcard-el-sl.pdf>.

¹⁸ <https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/eng-sp-ipa-eei-v2-workforce-portal-flyer-7-14-23-ioci24-009.pdf>.

¹⁹ <https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/ipa-eeep-postcard-el-sl.pdf>.

²⁰ https://ipa.illinois.gov/content/dam/soi/en/web/energyequity/documents/flyer/become-an-equity-eligible-contractor_2023_11_30-final-for-publication.pdf.

SOLAR ENERGY SUCCESS STORIES

Lawndale Resident Saves \$50 a Month with Community Solar

Delia Perez, a resident of the Lawndale neighborhood in Chicago, decided to participate in ILSFA’s Community Solar program to save money on her electric bill while also helping the environment.



(Right: ILSFA Program Participant Delia Perez). Photo Courtesy: Elevate, in partnership with A Just Harvest

“A community solar project is like a big solar farm,” said Perez. “You get credits for the solar energy that you subscribe to, and you see the credits on the electric bill.”

Perez recommends ILSFA’s Community Solar program for other homeowners, sharing that she saves an average of \$50 per month on her electric bills. When asked about the future, Perez shared her optimism about solar energy. “I want to see my grandchildren get solar.”

Champaign Family Saves Money Through Illinois Solar for All

Jaouad Barmaki, a husband, a father of five children, and a single-family homeowner installed his solar project through ILSFA. Barmaki recommends the program for other homeowners to save money on their electric bills. His family now expects savings of more than \$14,000 over the next 15 years! “It’s a good time to have the solar panels to save some money now.



(ILSFA Program Participant Jaouad Barmaki with his family). Photo Courtesy: Prairie Rivers Network

“I recommend everybody to go ahead and start the process through Illinois Solar for All. It’s a great program!”

Habitat for Humanity ReStore's Solar Energy Savings Help Families



(Solar panels on Habitat for Humanity ReStore). Photo courtesy: Balance Solar

Habitat for Humanity ReStore in Bloomington, a non-profit home improvement store and donation center, participated in ILSFA's Non-Profit/Public Facilities subprogram. The ReStore is part of Habitat for Humanity of McLean County, which works to eliminate substandard housing in the Bloomington community. After the project got installed and started generating electricity, Habitat for Humanity ReStore quickly began to see benefits from the completed solar array project. By generating 85% of the electricity, it needs to operate, the ReStore can redirect money from utility bills to the Habitat mission. With solar energy savings, Habitat for Humanity of McClean County has more resources to construct and rehabilitate homes, advocate for fair and just housing policies, and provide training and resources to families.

IPA IN THE COMMUNITY

IPA DEI Outreach Associate Kina Askew (left), pictured here with Safer Quest Program Supervisor Jasmine Love at the Safer Foundation – 2nd Chance Program event.

During this event, which was geared towards Returning Residents/Justice Impacted individuals in workforce, Kina promoted the Energy Workforce Equity Portal that connects clean energy companies with EEPs looking for jobs in the clean energy industry.



ILSFA Program Associate Abigail Ramirez (left) joins IPA DEI Outreach Associate Kina Askew at the Near West American Job Center's Careers De Mayo Fair. During the event, Abby and Kina discussed how EEPs can use the Energy Workforce Equity Portal to connect with clean energy companies and find jobs.

IPA DEI Outreach Associate Kina Askew, pictured here, discusses the IPA's solar programs at a regional CEJA event on Chicago's Southside.



IPA DEI Outreach Associate Kina Askew, pictured here, joins Cook County Commissioner Bill Lowery (right) at a Back-to-School Fair and Resource Event in Chicago, IL.

IPA staff and Program Administrators for both ILSFA and Illinois Shines attended State Representative Mike Marron's (104th District) 'Explore Solar Event' at The Urbana Free Library. The event, designed for residents and community members interested in solar energy, highlighted a customer's journey in navigating solar energy, providing a roadmap for how homeowners and renters can utilize solar energy based on their home energy needs. Local solar companies participating in the IPA's programs also attended the event to answer questions about their work and how they benefit consumers.

**REP. MARRON'S
EXPLORE
SOLAR
EVENT**

**OCTOBER
12
6:30 - 7:30 PM**

**URBANA FREE LIBRARY
210 WEST GREEN ST
URBANA, ILLINOIS**

UNIVERSITY OF ILLINOIS **IPA** **Illinois Shines**
harvest solar **HALO** **ELEVATE**
Energy Solutions **HWS** **THE URBANA FREE LIBRARY**
Illinois Solar for All **SANGAMON SOLAR**

**STATE REPRESENTATIVE
MIKE MARRON
REP.MARRON.COM
(217) 477-0104**

IPA DEI Data Analyst Alexa Mittenthal (center) and Chief DEI Officer Tanvi Shah (right), pictured here, host the IPA table at the Illinois Renewable Energy Conference in Bloomington-Normal, IL



Left photo: IPA DEI Outreach Associate Kina Askew hosts an IPA table at the Public Construction Summit hosted by the Indiana, Illinois, Iowa Foundation for Fair Contracting in Lisle, Illinois. The table featured brochures and flyers on IPA solar programs and the Energy Workforce Equity Portal.

Right photo: Kina (left) and IPA DEI Data Analyst Alexa Mittenthal (right) are joined by Illinois State Comptroller Susana Mendoza (center).

CONNECTING WITH OUR KEY STAKEHOLDERS

Diversity, Equity, and Inclusion Landing Page

The IPA launched the Diversity, Equity, and Inclusion landing page to underscore the importance of CEJA equity mandates for the clean energy industry.²¹ The DEI landing page houses key information on how the Agency is working to ensure that DEI targets are met for its programs and procurements. The DEI section of the IPA website also includes a new data center featuring accessible data on workforce diversity and job training graduate hiring.

MES Landing Page

The IPA launched the MES landing page to share educational resources and programmatic documents to help prepare program participants for the June 1, 2023 MES implementation.²²

In addition to the landing page, the IPA hosted stakeholder webinars on EAS and the implementation of the MES to help clean energy companies participating in the Illinois Shines Program as well as utility-scale developers. Recordings and presentations from these webinars are available on the MES landing page on the IPA website.

- MES Compliance and Waiver Request Training for utility-scale solar and wind projects (March 31, 2023)
- MES Compliance and Waiver Request Training for projects in Illinois Shines (March 13, 2023)

Self-direct Program Landing Page

The IPA launched the Self-direct Program landing page on its website. The page was launched to provide pertinent information on Self-direct Program, including 2023-2024 program participation, 2024-2025 program year information, and announcement of 2023-2024 Program size, participants, and bill credit determination.

Electricity Procurement Landing Page

²¹ <https://ipa.illinois.gov/diversity-equity-and-inclusion.html>

²² <https://ipa.illinois.gov/diversity-equity-and-inclusion/minimum-equity-standard.html>

In 2023, the IPA launched a new Electricity Procurement landing page on its website.²³ The page is designed to be a resource to learn about the IPA’s competitive electricity procurement processes, national and statewide electricity prices, electricity supply options for customers in Illinois, and municipal aggregation program for Illinois municipalities.

External events featuring IPA speakers

IPA Acting Director Delivers Keynote Session at DOE Office of Electricity, Energy Storage Program Annual Meeting

On October 25, 2023, IPA Acting Director Brian Granahan delivered a keynote session on the state of energy storage in Illinois at the U.S. Department of Energy’s Energy Storage Program Annual Meeting and Peer Review in Santa Fe, New Mexico.

During the keynote session, Brian outlined the overall energy policy picture in Illinois, including the state’s renewable energy and decarbonization targets established through CEJA, and how smart energy storage policy can help support those initiatives. A key aspect of his keynote session addressed the important work that the IPA is currently conducting through its Policy Study examining energy storage legislative proposals introduced this past Spring. The Policy Study will assess the potential impacts of multiple energy proposals, including proposed energy storage legislation, across the following criteria: support for Illinois’ decarbonization goals; the environment; grid reliability; carbon and other pollutant emissions; resource adequacy; long-term and short-term electric rates; environmental justice communities; jobs; and the economy.

IPA Staff Attend Illinois Regulatory Policy Studies Conference

Across October 10-11, 2023, IPA staff attended the Institute for Regulatory Policy Studies (“IRPS”) Conference in Springfield, Illinois. At the conference, IPA Senior Advisor and Planning and Procurement Bureau Chief Anthony Star presented during two different sessions. His first session, *Update on CEJA Implementation*, focused on the IPA’s implementation of CEJA’s requirements for programs and procurements. During the

²³ <https://ipa.illinois.gov/electricity-procurement.html>

session, Anthony highlighted successes and lessons learned in accelerating the clean energy transition.

His second session, *Looking to the Future*, focused on IPA activities and key initiatives. This session included updates on the 2024 Long-Term Plan, the IPA Policy Study, and the Clean Energy Dashboard project designed to convey the story of renewable energy development through data visualization tools. In addition, Anthony also highlighted current challenges and upcoming policy issues ripe for additional consideration, including energy storage, utility-scale renewable energy development, and the role of nuclear power in meeting clean energy deployment goals in Illinois.

[IPA ILSFA Senior Program Manager Speaks at NEUAC Webinar](#)

On October 11, IPA Illinois Solar for All Senior Program Manager Jennifer Schmidt spoke at The National Energy and Utility Affordability Coalition webinar on the topic of equitable access to community solar for Low Income Home Energy Assistance Program recipients. In the webinar, U.S. Department of Energy representatives discussed efforts underway to increase equitable access to community solar. Additionally, Jennifer and a representative from Embarras River Basin Agency (a community action agency based in Illinois) discussed how Illinois is working to coordinate the ILSFA and LIHEAP programs to maximize benefits for households in partnership with DOE to develop a portal connecting LIHEAP participants with ILSFA's community solar program.

[IPA Acting Director Speaks on Community Solar Panel in New York City](#)

On October 11, 2023, IPA Acting Director Brian Granahan spoke on the *Growth Pathways for Accelerating Community Solar* panel at the New Project Media DG Development & Finance Forum in New York. Brian discussed Illinois' trajectory in supporting community solar projects, including changes in how projects are selected within IPA incentive programs and considerations applicable to how state policymakers view supporting the growing community solar marketplace.

[IPA Staff Attends Illinois Renewable Energy Conference](#)

Across September 20 and 21, 2023, fourteen members of the Illinois Power Agency attended the Illinois Renewable Energy Conference in Bloomington-Normal, Illinois, with four IPA employees providing presentations at the conference. IPA Acting Director Brian Granahan spoke on the 'Energy Policy Panel' alongside ICC Chairman Doug Scott and DCEO Deputy

Director (Energy) Hilary Scott-Ogunrinde. During the panel discussion, panelists provided key highlights on their respective agencies' implementation of activities under the Climate and Equitable Jobs Act ("CEJA"). Brian provided an overview on IPA's CEJA implementation activities and shared his vision for how the IPA can grow to be a thought leader in the clean energy space in the Midwest.

Additionally, IPA Senior Advisor and Planning and Procurement Bureau Chief Anthony Star presented at the *Where Do We Go from Here?* session. Anthony highlighted successes of Illinois' robust solar market and pointed out that Illinois is well-positioned in the Midwest to lead an equitable clean energy transition. Anthony's presentation also highlighted unique challenges on the renewable energy front, as well as how the Agency plans to utilize opportunities to tackle these challenges through policy and legislative work.

Lastly, IPA Chief Strategy and Communications Officer Megha Hamal and Chief Diversity, Equity, and Inclusion Officer Tanvi Shah presented at the *Equity Requirements* session. Megha and Tanvi highlighted the IPA's work on implementing CEJA's equity requirements and provided a tour of the Energy Workforce Equity Portal, which is intended to connect clean energy companies with equity eligible job seekers looking for work in the clean energy industry. The conference was attended by clean energy policymakers, industry leaders, contractors, educators, key stakeholders, and students of Illinois State University.

[OMS Resource Academy Summit 2.0](#)

On May 15-16, IPA Acting Director Brian Granahan and Legal Fellow Rachael Bruketta attended the Organization of MISO States Resource Adequacy Summit 2.0 in St. Louis, Missouri. During the Summit, Brian joined other speakers from states and utilities within MISO territory on a State & Utility Planning Processes panel. On this panel, he provided a presentation about the IPA's electricity supply procurement planning used to procure block energy supply for "eligible retail customers" (residential and small commercial customers of Illinois electric utilities who have not chosen service from an alternate supplier).

[CESA and the State-Federal Summit](#)

On May 15-18, 2023, IPA Planning and Procurement Bureau Chief Anthony Star, Deputy Legal Counsel Sarah Duffy, Program Associate Emily Asbury, and Associate Economist Hannah McCorry attended the Annual Meeting of the Clean Energy States Alliance ("CESA") and the State-Federal Summit: Advancing Toward 100% Clean Energy in Washington, D.C. The IPA joined 17 other state governments for the CESA Annual Meeting where states shared best practices, discussed potential solutions to common challenges, and heard from technical experts and federal agencies. At the State-Federal Summit, an additional 9 states and representatives from the U.S. Department of Energy, Environmental Protection Agency, the

White House Council on Environmental Quality, and several National Laboratories joined the states to learn how the Federal government can support state action on clean energy and how states can facilitate effective implementation of the Inflation Reduction Act.

Illinois State-Workforce Webinar

On April 12, 2023, IPA Deputy Legal Counsel Sarah Duffy and DEI Outreach Associate Kina Askew presented at the Illinois State-Workforce Webinar in partnership with the Department of Commerce and Economic Opportunity. Their presentation focused on the Energy Workforce Equity Portal and highlighted the clean energy jobs that are currently available on the portal.

Public Construction Summit

On April 6, 2023, IPA Deputy Legal Counsel Sarah Duffy and DEI Outreach Associate Kina Askew presented at the Public Construction Summit hosted by the Indiana, Illinois, Iowa Foundation for Fair Contracting in Lisle, Illinois. Their presentation focused on the IPA's renewable energy incentive programs and procurements, and key initiatives that prioritize equity and Prevailing Wage Act requirements in the clean energy industry in

Illinois. In addition, the IPA hosted an outreach table at the event and handed out educational materials on its solar incentive programs to attendees.

Solar Bootcamps Throughout Illinois

- On March 23, 2023, IPA Chief Legal Counsel Kelly Turner presented at the Mid-America Carpenters Apprentice & Training Center in Elk Grove Village, Illinois.
- On March 16, 2023, Illinois Solar for All Manager Jennifer Schmidt presented at the Mid-America Carpenters Regional Council Southern Illinois Apprenticeship & Training Center in Belleville, Illinois.
- On February 23, 2023, IPA Chief of Planning and Procurement Anthony Star presented at the Mid-America Carpenters Regional Council Joint Apprenticeship & Training Program in Pekin, Illinois.
- On January 26, 2023, IPA Deputy Legal Counsel Sarah Duffy presented at the Mid-America Carpenters Regional Council Union Solar Bootcamp in Rockford, Illinois.

These solar bootcamps allowed union members to engage with Agency staff about the state's renewable energy programs and procurements and about employment of equity-eligible persons and contractors in renewable energy projects. At these solar bootcamps, IPA staff presented on the Illinois Renewable Portfolio Standard, solar programs, equity, and

prevailing wage requirements—all targeted at increasing access to the benefits of the clean energy economy for all Illinoisans.

IPA Power Hour Educational Webinars

Since the launch of the IPA Power Hour Series in October 2021, the Agency has conducted 28 Power Hour webinars to-date on key energy themes and policy-related topics of regional and national importance. On average, each webinar draws 80-100 participants.

In 2023, the IPA hosted ten Power Hour Webinars. The webinars featured a wide range of energy topics and thought leaders and energy experts nationally and locally representing organizations and institutions like U.S. Department of Energy, Brookings Institute, Illinois State Board of Education, Illinois Environmental Protection Agency, Department of Commerce and Economic Opportunity, Great Plains Institute, City of Urbana, University of Illinois-Urbana Champaign, American Farmland Trust, Illinois State University, Climate Jobs Illinois, Illinois Solar Energy Association, ICF Climate Center, Clean Grid Alliance, among others.

The 2023 Power Hour Webinars featured the following topics:

- o Equitable Solar Workforce Development: Challenges and Opportunities
- o On-Site Solar Project Development in Illinois: From Ideation to Implementation
- o Agrivoltaics: How Can Solar Energy and Agriculture Work With Each Other?
- o From Brownfield to Brightfield: The Impact of Brownfield Redevelopment on Communities
- o The Impacts of Wind and Solar Projects to the Local Economy
- o Unpacking Community Solar in Illinois Solar for All
- o Bring Solar to School-Benefits, Challenges, and Opportunities
- o The Work Ahead: Staffing the Clean Energy Economy
- o The Modern Grid
- o The State of Wind Energy

Recordings and presentations of the Power Hour Webinars can be found on the IPA website.²⁴

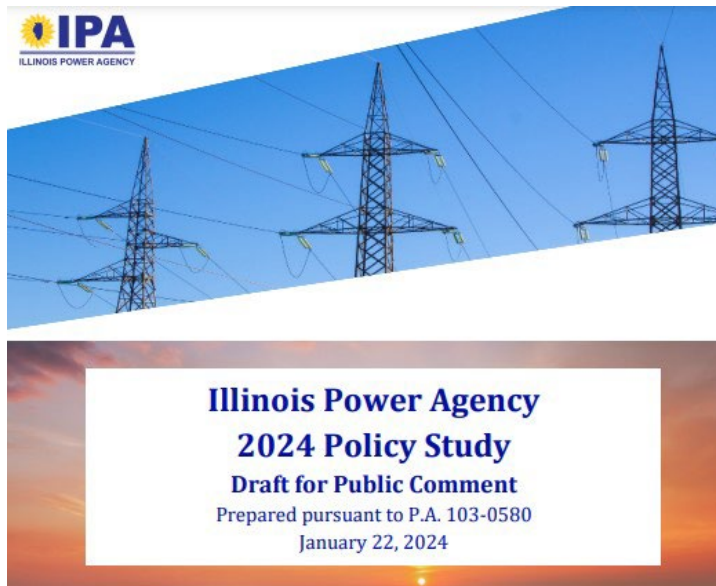
²⁴ <https://ipa.illinois.gov/about-ipa/ipa-events/previous-power-hour-events.html>

PATH FORWARD

Policy Study

In accordance with Section 1-129 of the Illinois Power Agency Act (20 ILCS 3855) recently enacted through Public Act 103-0580 (formerly Senate Bill 1699), the IPA released the preliminary draft version of its 2024 policy study on January 22, 2024.²⁵ The draft Policy Study analyzes three policy proposals made during the Spring 2023 session of the Illinois General Assembly.

Through Public Act 103-0580, the Illinois General Assembly found that “while numerous legislative proposals purport to help the State on its path to equitably attain 100% clean energy, it is important to have a neutral party with relevant expertise evaluate each proposal to ensure it is consistent with the State’s goals and maximizes benefits to Illinois residents.” To this end, the General Assembly enacted new Section 1-129 of the Illinois Power Agency Act requiring the Illinois Power Agency to “commission and publish a policy study” to evaluate “the potential impacts” of three proposals across criteria including “support for Illinois’ decarbonization goals, the environment, grid reliability, carbon and other pollutant emissions, resource adequacy, long-term and short-term electric rates, environmental justice communities, jobs, and the economy.”



²⁵ https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/sb1699_103-0580.pdf

As required under Section 1-129(g) of the IPA Act, the three proposals assessed in this policy study are the following:

(1) A pilot program to establish one new utility-scale offshore wind project capable of producing at least 700,000 megawatt hours annually for at least 20 years in Lake Michigan that includes an equity and inclusion plan to create job opportunities for underrepresented populations in addition to equity investment eligible communities and a fully executed project labor agreement. (HB 2132)

(2) A proposal for the deployment of energy storage systems through the development of energy storage credit targets for the Agency to procure on behalf of Illinois electric utilities using energy storage contracts of at least 15-year durations, also including the creation of distributed level energy storage programs through utility tariffs as approved by the Illinois Commerce Commission. (SB 1587)

(3) A policy establishing that requires the Agency to procure high voltage direct current renewable energy credit contracts of at least 25 years from a high voltage direct current transmission facility with more than 100 miles of underground transmission lines in this State capable of transmitting electricity at or above 525 kilovolts and delivering power in the PJM market. (no bill formally introduced)

The Agency provided a 20-day open public comment period. Comments on the draft Policy Study were due on Monday, February 12, 2024. Comments have been published on the Policy Study webpage on the IPA website.²⁶

The Agency will review public comments and publish a final policy study no later than March 1, 2024.

Illinois Clean Energy Dashboard

The IPA is currently working on a new data project designed to convey the story of renewable energy development through data visualization tools. Through this initiative, the IPA seeks to quantify and illustrate a compelling story of renewable energy growth in Illinois and bolster public understanding of how the IPA's renewable energy programs and procurements support that growth. Features will include maps, charts, and statistics charting the development of new solar, wind, and other projects in Illinois, presented in an accessible and visually engaging manner.

²⁶ <https://ipa.illinois.gov/ipa-policy-study/stakeholder-feedback-on-draft-policy-study.html>

Greenhouse Gas Reduction Fund

The Inflation Reduction Act directed US EPA to create a national Solar for All competition to provide \$7 billion to support residential rooftop solar, residential-serving community solar, associated storage, and enabling upgrades.

In October, the IPA collaborated with Illinois Finance Authority (Illinois Climate Bank) on a comprehensive application for the US EPA Greenhouse Gas Reduction Fund's Solar for All Funding. The proposed funding would expand the existing ILSFA program and Illinois Shines with financial assistance (including grants and loans) to support health and safety and enabling upgrades, incorporate energy storage, expand the oversubscribed low-income community solar subprogram, expand residential solar, support energy sovereignty and community-driven projects and provide critical capital to diverse solar vendors to grow their business and capabilities to bring solar projects to low income communities. Awardees of this funding will be announced in Spring 2024.

STATUTORY REPORT

20 ILCS 3855/1-125(a) requires that, by February 15 of each year, the Agency shall report annually to the Governor and the General Assembly on the operations and transactions of the Agency. The annual report shall include, but not be limited to, each of the following:

- (1) The average quantity, price, and term of all contracts for electricity procured under the procurement plans for electric utilities.
- (2) (Blank)²⁷
- (3) The quantity, price, and rate impact of all energy efficiency and demand response measures purchased for electric utilities, and any measures included in the procurement plan pursuant to Section 16-111.5B of the Public Utilities Act.
- (4) The amount of power and energy produced by each Agency facility.
- (5) The quantity of electricity supplied by each Agency facility to municipal electric systems, governmental aggregators, or rural electric cooperatives in Illinois.
- (6) The revenues as allocated by the Agency to each facility.
- (7) The costs as allocated by the Agency to each facility.
- (8) The accumulated depreciation for each facility.
- (9) The status of any projects under development.
- (10) Basic financial and operating information specifically detailed for the reporting year and including, but not limited to, income and expense statements, balance sheets, and changes in financial position, all in accordance with generally accepted accounting principles, debt structure, and a summary of funds on a cash basis.
- (11) The average quantity, price, contract type and term and rate impact of all renewable resources procured under the long-term renewable resources procurement plans for electric utilities.
- (12) A comparison of the costs associated with the Agency's procurement of renewable energy resources to (A) the Agency's costs associated with electricity generated by other types of generation facilities and (B) the benefits associated with the Agency's procurement of renewable energy resources.
- (13) An analysis of the rate impacts associated with the Illinois Power Agency's procurement of renewable resources, including, but not limited to, any long-term contracts, on the eligible retail customers of electric utilities. The analysis shall include the Agency's estimate of the total dollar impact that the Agency's procurement of renewable resources has had on the annual electricity bills of the

²⁷ Previous Illinois Power Agency Annual Reports included a Section (2) that provided information on, "The quantity, price, and rate impact of all renewable resources purchased under the electricity procurement plans for electric utilities." That provision was repealed through Public Act 99-0536 while consolidating the Agency's Annual Report and its previously-required separate report on the Cost and Benefits of Renewable Resource Procurement. Information comparable to what was previously reported in Section (2) can be found in Section (11) of this Report.

customer classes that comprise each eligible retail customer class taking service from an electric utility.

(14) (Blank).

(15) 20 ILCS 3855/1-125(b), established through Public Act 102-0662, requires that in addition to reporting on the transactions and operations of the Agency, the Agency shall also endeavor to report on the following items through its annual report, recognizing that full and accurate information may not be available for certain items:

- (1) The overall nameplate capacity amount of installed and scheduled renewable energy generation capacity physically located in Illinois.
- (2) The percentage of installed and scheduled renewable energy generation capacity as a share of overall electricity generation capacity physically located in Illinois.
- (3) The amount of megawatt hours produced by renewable energy generation capacity physically located in Illinois for the preceding delivery year.
- (4) The percentage of megawatt hours produced by renewable energy generation capacity physically located in Illinois as a share of overall electricity generation from facilities physically located in Illinois for the preceding delivery year.
- (5) The renewable portfolio standard expenditures made pursuant to paragraph (1) of subsection (c) of Section 1-75 and the total scheduled and installed renewable generation capacity expected to result from these investments. This information shall include the total cost of REC delivery contracts of the renewable portfolio standard by project category, including, but not limited to, renewable energy credits delivery contracts entered into pursuant to subparagraphs (C), (G), (K), and (R) of paragraph (1) of subsection (c) Section 1-75. The Agency shall also report on the total amount of customer load featuring renewable portfolio standard compliance obligations scheduled to be met by self-direct customers pursuant to subparagraph (R) of paragraph (1) of subsection (c) of Section 1-75, as well as the minimum annual quantities of renewable energy credits scheduled to be retired by those customers and amount of installed renewable energy generating capacity used to meet the requirements of subparagraph (R) of paragraph (1) of subsection (c) of Section 1-75.

In addition to these requirements, Section 16-115D(d)(4) of the Public Utilities Act requires that, beginning April 1, 2012, and by April 1 of each year thereafter, the Agency shall submit the following information to the General Assembly, the Commission, and alternative retail electric suppliers:

A report of the alternative compliance payment mechanism fund that shall include ...

- (A) the total amount of alternative compliance payments received in aggregate from alternative retail electric suppliers by planning year for all previous planning years in which the alternative compliance payment was in effect;
- (B) the total amount of those payments utilized to purchased [sic] renewable energy credits itemized by the date of each procurement in which the

- payments were utilized; and
- (C) the unused and remaining balance in the Agency Renewable Energy Resources Fund attributable to those payments.

This Annual Report for Fiscal Year 2023 addresses each of the above requirements, including reporting alternative compliance payment and expenditure information.

(1) The average quantity, price, and term of all contracts for electricity procured under the procurement plans for electric utilities.

The IPA's 2023 Electricity Procurement Plan, approved by the Illinois Commerce Commission in Docket No. 22-0590, continues the use of the risk management and procurement strategy as employed in previous procurement plans hedging load by procuring on and off-peak blocks of forward energy in a three-year laddered approach. This strategy is consistent with the strategy used for the 2022 Plan featuring two annual block energy procurements, one held in the Spring and one held in the Fall. The hedging strategy for Ameren Illinois and MidAmerican calls for the procurement of electricity under which 100% of the projected eligible retail customer load is to be under contract for the 2023 – 2024 delivery year (starting June 1, 2023),^{28,29} 50% for the 2024-2025 delivery year (with June, July, and August at 75%), and 25% for the 2025-2026 delivery year (with June, July, and August at 30%). The hedging strategy for ComEd calls for the procurement to meet 50% of the projected eligible customer load for the 2023-2024 year, 25% for the 2024-2025 delivery year with 37.5% for June, July, and August, and 12.5% for the 2025-2026 delivery year with 15% for June, July, and August.³⁰ Each procurement uses an updated load forecast provided by the utilities to match procured volumes with actual demand more accurately. The Procurement Plan covers a calendar year of Agency activities, while energy deliveries are based on an industry-standard energy delivery year that starts June 1 (and thus is one month different from the State Fiscal Year). In Fiscal Year 2023, the IPA held two energy procurements: the first occurred in September 2022 pursuant to the 2022 Plan; the second took place in April 2023 pursuant to the 2023 Plan.

The Fall 2022 Capacity procurement event approved as part of the 2022 Electricity Procurement Plan was cancelled following the Federal Energy Regulatory Commission's (FERC's) August 31, 2022 Order in Docket Nos. ER22-495-000 and ER22-495-001. In accepting MISO's proposal to implement a seasonal capacity construct beginning with the 2023-2024 delivery year, FERC's Order eliminated the annual Zonal Resource Credits ("ZRCs") capacity product which the IPA was slated to procure in the Fall 2022 event. An early 2023 Capacity Procurement was included in the 2023 Electricity Procurement Plan and was held in February as a replacement for the cancelled Fall event. The February 2023 Capacity Procurement is the first event in which ZRCs were procured on a seasonal basis. Capacity in the IPA's bilateral procurements is now procured for each season: summer (June

²⁸ Delivery year is synonymous with planning year and used interchangeably in this Report.

²⁹ This percentage total is 106% for July and August 2022, on-peak.

³⁰ The lower hedging percentages for ComEd reflect an approach approved by the Illinois Commerce Commission for the 2023 Plan that accounts for the impact of Carbon Mitigation Credits for ComEd customers.

to August), fall (September to November), winter (December to February) and spring (March to May).

The following tables report on the names of winning suppliers, quantity, price, and term for electricity contracts procured through the two energy procurement events and the Ameren Illinois capacity procurement held during FY 2023.³¹⁷ The specific months and quantities procured reflect the load forecasts provided by Ameren Illinois, ComEd and MidAmerican.

³¹ Under Section 16-111.5(h) of the Public Utilities Act, “the names of the successful bidders and the load weighted average of the winning bid prices for each contract type and for each contract term shall be made available to the public.” This information is included in the tables that follow. However, as the IPA “shall maintain the confidentiality of all other supplier and bidding information,” individual supplier contract quantities, prices, and terms may not be disclosed and have not been included in this report or in prior annual reports.

September 2022 Procurement³²

Ameren Illinois

Table 1-1: Winning Suppliers

AEP Energy Partners, Inc.
Constellation Energy Generation, LLC
J. Aron & Company, LLC
Macquarie Energy LLC
Morgan Stanley Capital Group, Inc.
NextEra Energy Marketing, LLC
Shell Energy North America (US), L.P.

Table 1-2: Average Price and Quantity of Electricity Contracts

Month(s)	On-Peak		Off-Peak	
	Average Price (\$/MWh)	Quantity (MW)	Average Price (\$/MWh)	Quantity (MW)
October 2022	115.54	125	87.72	125
November 2022	115.38	150	87.98	175
December 2022	117.01	200	91.31	200
January 2023	144.84	550	122.31	500
February 2023	144.09	500	121.59	450
March 2023	85.07	275	66.86	275
April 2023	83.37	225	60.61	225
May 2023	76.36	250	53.18	225
June 2023	73.87	225	51.55	200
July 2023	82.87	250	54.15	225
August 2023	80.76	250	52.89	200
September 2023	72.81	175	51.23	175
October 2023	71.97	125	50.85	125
November 2023	71.34	175	51.43	175

³² Source: <https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/public-notice-of-fall-2022-standard-energy-products-procurement-results-2022-09-15.pdf>

December 2023	73.11	200	52.71	200
January 2024	80.68	225	57.22	200
February 2024	78.51	200	57.22	200
March 2024	69.85	175	50.79	150
April 2024	69.69	150	50.85	125
May 2024	71.97	125	50.85	125
June 2024	62.70	125	41.65	100
July 2024	73.24	175	44.13	150
August 2024	71.73	150	43.53	125
September 2024	61.29	125	41.67	100
October 2024	58.16	75	41.19	75
November 2024	58.16	75	41.19	75
December 2024	59.29	100	44.67	125
January 2025	73.05	125	49.66	100
February 2025	73.05	125	52.69	125
March 2025	62.98	75	43.55	75
April 2025	61.57	50	42.16	50
May 2025	61.50	75	42.16	50

ComEd

Table 1-3: Winning Suppliers

AEP Energy Partners, Inc.
Constellation Energy Generation, LLC
Dynegy Marketing and Trade, LLC
J. Aron & Company, LLC
Macquarie Energy LLC
NextEra Energy Marketing, LLC
NRG Power Marketing LLC
Shell Energy North America (US), L.P.
Tidal Energy Marketing (U.S.) L.L.C.
TransAlta Energy Marketing (U.S.) Inc.
Vitol, Inc.

Table 1-4: Average Price and Quantity of Electricity Contracts

Month(s)	On-Peak		Off-Peak	
	Average Price (\$/MWh)	Quantity (MW)	Average Price (\$/MWh)	Quantity (MW)
October 2022	115.43	1,250	80.63	1,075
November 2022	115.15	1,425	84.87	1,150
December 2022	119.53	1,525	92.11	1,375
January 2023	146.87	1,900	122.74	1,725
February 2023	143.79	1,775	120.57	1,650
March 2023	88.24	875	65.81	650
April 2023	72.46	600	52.47	950
May 2023	72.46	625	49.30	850
June 2023	73.44	500	48.24	400
July 2023	81.28	600	51.51	525
August 2023	80.73	575	51.24	500
September 2023	71.32	400	47.62	375
October 2023	70.58	350	47.40	325
November 2023	69.90	400	47.30	350
December 2023	70.84	450	48.57	400
January 2024	80.82	475	56.83	425
February 2024	79.55	450	56.83	425
March 2024	69.39	375	45.98	375
April 2024	69.71	325	45.79	300
May 2024	68.58	350	44.66	300
June 2024	58.90	525	37.33	250

July 2024	67.48	425	40.29	400
August 2024	68.04	450	40.29	400
September 2024	59.41	275	38.27	200
October 2024	57.87	275	37.77	225
November 2024	57.35	300	37.77	225
December 2024	57.80	350	38.45	250
January 2025	65.45	350	42.13	325
February 2025	65.45	350	42.13	325
March 2025	60.38	275	38.27	200
April 2025	59.77	225	38.27	200
May 2025	59.77	225	37.30	225

MidAmerican

No Procurement

April 2023 Procurement³³

Ameren Illinois

Table 1-5: Winning Suppliers

Constellation Energy Generation Company, LLC
J. Aron & Company LLC
Macquarie Energy LLC
Mercuria Energy America, LLC
Morgan Stanley Capital Group, Inc.
Shell Energy North America (US), L.P.
Tidal Energy Marketing (U.S.) L.L.C.
TransAlta Energy Marketing (US), Inc.

Table 1-6: Average Price and Quantity of Electricity Contracts

Month(s)	On-Peak		Off-Peak	
	Average Price (\$/MWh)	Quantity (MW)	Average Price (\$/MWh)	Quantity (MW)
June 2023	47.34	575	30.58	375
July 2023	67.82	500	42.91	225
August 2023	65.08	475	40.98	225
September 2023	49.16	350	33.23	200
October 2023	42.93	125	37.66	25
November 2023	45.60	100	37.66	25
December 2023	55.21	125	42.63	50
January 2024	72.45	150	66.92	50
February 2024	68.68	125	64.15	50
March 2024	50.15	125	40.42	50
April 2024	49.71	75	38.84	25
May 2024	48.99	75	35.08	50
June 2024	51.45	200	35.94	125
July 2024	70.57	225	46.41	150

³³ Source: <https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/42023/public-notice-of-sprint-2023-standard-energy-products-procurement-results-2023-04-23.pdf>

August 2024	68.69	250	44.59	125
September 2024	52.98	50	34.90	25
October 2024	49.48	50	-	-
November 2024	50.90	50	35.32	25
December 2024	56.34	50	48.91	25
January 2025	70.80	75	70.07	25
February 2025	66.76	50	65.85	25
March 2025	54.04	50	44.11	25
April 2025	57.00	25	38.40	25
May 2025	57.00	25	39.20	25
June 2025	56.69	100	40.04	50
July 2025	75.51	125	49.70	75
August 2025	73.73	125	48.33	75
September 2025	54.17	50	38.45	25
October 2025	-	-	-	-
November 2025	-	-	-	-
December 2025	60.36	50	51.45	25
January 2026	83.00	50	67.89	25
February 2026	76.30	50	67.89	25
March 2026	57.08	25	-	-
April 2026	-	-	-	-
May 2026	-	-	-	-

In the February 2023 procurement, the IPA procured capacity for a portion of Ameren Illinois eligible retail customer load as specified in the 2023 Procurement Plan. This event replaced the cancelled Fall 2022 capacity procurement event with a procurement of seasonal capacity products. The following table provides the names of winning suppliers and the average price and term for the seasonal capacity procured in Zonal Resource Credits (ZRCs)

Table 1-7: Winning Suppliers

Dynegy Marketing and Trade, LLC
Hoosier Energy Rural Electric Cooperative, Inc.

Table 1-8: Term, Average Price of Capacity Contracts³⁴

Term	Zonal Resource Credits	
Season	Average Price (\$/MW-Day)	Quantity
Summer 2023	\$211.96	-
Fall 2023	\$27.50	-
Winter 2023-2024	\$26.00	-
Spring 2024	\$26.00	-

³⁴ In accordance with the RFP rules and previous Commission orders, quantity information is only provided where the number of successful bidders is greater than two.

ComEd

Table 1-9: Winning Suppliers

AEP Energy Partners, Inc.
Constellation Energy Generation LLC
Dynegy Marketing and Trade, LLC
Mercuria Energy America, LLC
NRG Power Marketing, LLC
Shell Energy North America (US), L.P.

Table 1-10: Average Price and Quantity of Electricity Contracts

Month(s)	On-Peak		Off-Peak	
	Average Price (\$/MWh)	Quantity (MW)	Average Price (\$/MWh)	Quantity (MW)
June 2023	39.30	25	24.74	50
July 2023	59.03	50	35.69	25
August 2023	59.03	50	35.69	25
September 2023	41.15	25	26.19	25
October 2023	33.35	25	-	-
November 2023	-	-	28.50	25
December 2023	49.25	25	41.65	25
January 2024	71.27	25	57.50	25
February 2024	-	-	57.50	25
March 2024	45.00	25	-	-
April 2024	-	-	30.01	25
May 2024	-	-	28.00	25
June 2024	43.50	275	26.70	250
July 2024	64.16	350	39.83	275
August 2024	63.55	300	39.15	225
September 2024	41.05	50	27.13	50
October 2024	-	-	-	-
November 2024	-	-	31.25	25
December 2024	52.80	25	43.15	50
January 2025	-	-	62.02	25
February 2025	-	-	-	-
March 2025	-	-	37.00	25
April 2025	-	-	-	-
May 2025	-	-	-	-
June 2025	48.21	225	31.08	175
July 2025	67.72	300	40.96	250

August 2025	67.50	275	40.50	225
September 2025	46.15	150	30.10	125
October 2025	46.10	100	36.55	75
November 2025	46.10	100	36.55	75
December 2025	48.98	150	40.69	125
January 2026	71.88	150	62.86	125
February 2026	71.15	125	62.86	125
March 2026	49.76	100	37.19	75
April 2026	46.12	50	35.28	50
May 2026	45.42	75	33.32	75

MidAmerican

Table 1-11: Winning Supplier

Tidal Energy Marketing (U.S.), L.L.C.

Table 1-12: Average Prices (\$/MWh) of Electricity Contracts

Months	Average Price (\$/MWh)
July 2023	54.20
August 2023	54.20

(2)(Blank)

(3) The quantity, price, and rate impact of all energy efficiency and demand response measures purchased for electric utilities, and any measures included in the procurement plan pursuant to Section 16-111.5B of the Public Utilities Act.

Consistent with prior years, the IPA did not directly purchase energy efficiency or demand response measures for ComEd or Ameren Illinois in Fiscal Year 2023.

Procurement Plans developed by the Agency for the years 2013 through 2017 included the approval of incremental energy efficiency programs pursuant to Section 16-111.5B of the Public Utilities Act. Those provisions were terminated as part of Public Act 99-0906, which took effect on June 1, 2017, and thus the IPA has not included energy efficiency in its procurement plans since that time.

Under current market and regulatory conditions, the IPA believes that a demand response procurement by the IPA could not meet the standards set forth in Section 16-111.5(b)(3) of the Public Utilities Act. Reasons for this include, for example, the statutory requirement that demand response under this provision must come from “eligible retail customers,” and as the IPA is not aware of any simple, straightforward way of definitively determining whether a non-competitive class customers take supply from the utility or an alternative retail electric supplier for purposes of any demand response aggregation, there may simply be no feasible way to ensure that only eligible retail customers participate. As a result, the IPA has not included demand response procurements in its annual electricity procurement plan and the ICC has approved that determination.

(4) The amount of power and energy produced by each Agency facility.

Consistent with prior years, the IPA had no Agency facilities during Fiscal Year 2023.

(5) The quantity of electricity supplied by each Agency facility to municipal electric systems, governmental aggregators, or rural electric cooperatives in Illinois.

Consistent with prior years, the IPA had no Agency facilities during Fiscal Year 2023.

(6) The revenues as allocated by the Agency to each facility.

Consistent with prior years, the IPA had no Agency facilities during Fiscal Year 2023.

(7) The costs as allocated by the Agency to each facility.

Consistent with prior years, the IPA had no Agency facilities during Fiscal Year 2023.

(8) The accumulated depreciation for each facility.

Consistent with prior years, the IPA had no Agency facilities during Fiscal Year 2023.

(9) The status of any projects under development.

Consistent with prior years, the IPA had no Agency facilities under development during Fiscal Year 2023.

Among the Agency's goals and objectives enumerated in the Illinois Power Agency Act are the following:

- *Develop electric generation and co-generation facilities that use indigenous coal or renewable resources, or both, financed with bonds issued by the Illinois Finance Authority.*
- *Supply electricity from the Agency's facilities at cost to one or more of the following: municipal electric systems, governmental aggregators, or rural electric cooperatives in Illinois.*³⁵

The Act puts a number of restrictions on the Agency that severely limit its ability to develop the allowed facilities in the current marketplace. See, for example:

At the Agency's discretion, it may conduct feasibility studies on the construction of any facility. Funding for a study shall be assessed to municipal electric systems, governmental aggregators, units of local government, or rural electric

³⁵ 20 ILCS 3855/1-5(C) and (D).

cooperatives requesting the feasibility study; or through an appropriation from the General Assembly.

No entities have requested such a study.

The Agency may enter into contractual arrangements with private and public entities, including but not limited to municipal electric systems, governmental aggregators, and rural electric cooperatives, to plan, site, construct, improve, rehabilitate, and operate those electric generation and co-generation facilities.

No entities have requested such arrangements.

The first facility that the Agency develops, finances, or constructs shall be a facility that uses coal produced in Illinois. The Agency may, however, also develop, finance, or construct renewable energy facilities after work on the first facility has commenced.

Any such facility that uses coal must be a clean coal facility and must be constructed in a location where the geology is suitable for carbon sequestration.

The Agency may supply electricity produced by the Agency's facilities to municipal electric systems, governmental aggregators, or rural electric cooperatives in Illinois. The electricity shall be supplied at cost. Electric utilities shall not be required to purchase electricity directly or indirectly from facilities developed or sponsored by the Agency.

Financing of new generation generally requires that there be certainty regarding the contractual obligation to purchase the output of the facility. Even priced at cost, electricity produced by such a facility is likely to be priced significantly above the market price of electricity for the foreseeable future. Without a mandate to purchase such electricity, buyers would not elect to purchase the significantly more expensive electricity from a clean coal facility, let alone enter into a contract featuring the length and terms necessary to finance such a facility's construction. Due to a severely restricted pool of potential buyers and the apparent absence of need among those potential buyers, the development of a new IPA facility is unlikely to be feasible for the foreseeable future.

The Agency may sell excess capacity and excess energy into the wholesale electric market at prevailing market rates; provided, however, the Agency may not sell excess capacity or

excess energy through the procurement process described in Section 16-111.5 of the Public Utilities Act.

The Agency shall not directly sell electric power and energy to retail customers. Nothing in this paragraph shall be construed to prohibit sales to municipal electric systems, governmental aggregators, or rural electric cooperatives.

(Source: P.A. 95-481, eff. 8-28-07; 95-1027, eff. 6-1-09.)

These provisions mean that the Agency may not serve as a seller to retail load in Illinois from any facilities it develops, which serves as a protection for both customers and the market. However, a reduced pool of potential buyers helps ensure that there is not sufficient demand at this time (or in the near future) for the IPA to develop a new facility.

(10) Basic financial and operating information specifically detailed for the reporting year and including, but not limited to, income and expense statements, balance sheets, and changes in financial position, all in accordance with generally accepted accounting principles, debt structure, and a summary of funds on a cash basis.

The Agency's Fiscal Year 2023 Financial Statements and Notes are contained in the attached Appendix A. Appendix B contains a summary of funds on a cash basis.

(11) The average quantity, price, contract type and term and rate impact of all renewable resources procured under the long-term renewable resources procurement plans for electric utilities.

This section of the report, in addition to providing the average quantity, price, contract type and term of all renewable resources purchased, provides a comparison of the costs associated with the procurement of the renewable resources to the costs associated with electricity generated by other types of generation facilities. In this Report, “cost” is used to refer to a quantity procured multiplied by that quantity’s average unit price.

Information on the resources procured and the results of the competitive procurements are presented in Tables 11-1, 11-2, and 11-3 below for the 2022-2023 delivery year for ComEd, Ameren Illinois, and MidAmerican, respectively.³⁶ To place the costs of renewable resources and conventional generation on a level footing, procurement costs are compared for RECs and electricity contracted or delivered to the utility’s bundled rate customers during the 2022-2023 delivery year. The following costs are tabulated:

- For Ameren Illinois, ComEd, and MidAmerican, the average price and cost of RECs procured in the Competitive Procurements for new Utility-Scale Wind, new Utility- Scale Solar, and Brownfield Site Solar conducted from 2017 through 2019;
- For Ameren Illinois, and ComEd, the average imputed price and cost of RECs delivered under the Adjustable Block Program;
- The average price per MWh and cost of the blocks of electricity procured by the Agency; and
- For Ameren Illinois and ComEd, the 2010 Long-Term Power Purchase Agreements (“LTPPAs”) purchase costs broken down to show the imputed REC and electricity prices,³⁷ beginning with the 2012-13 delivery year, which is the first year of delivery under those agreements;

With regard to the 2010 LTPPAs, those contracts contain bundled pricing for electricity and

³⁶ Historical information is available in the Agency’s Report on Costs and Benefits of Renewable Resource Procurement published on April 1, 2016, and in the Fiscal Year 2016, Fiscal Year 2017, Fiscal Year 2018, Fiscal Year 2019, Fiscal Year 2020, Fiscal Year 2021, and Fiscal Year 2022 Annual Reports.

³⁷ In its December 19, 2012 Order, the ICC allowed for the release of the previously confidential “Appendix K” imputed REC prices. The conformed plan (ICC Docket No. 12-0544, 2013 Electricity Procurement Plan Conforming to the Commission’s December 19, 2012 Order at 84) included imputed prices for the five subsequent delivery years 2013-17.

RECs. REC prices are “imputed” by subtracting an electricity price from the bundled price. The electricity prices used in those contracts are determined through a forward energy curve calculated at the time of the procurement event. The process of imputing these REC prices is described in Appendix K to the Agency’s 2010 Procurement Plan.³⁸

Although the tables below compare the costs of procured RECs to the costs of procured electricity, it should be noted that these costs are not for equivalent products. RECs represent only the value of the environmental attributes of electricity produced from renewable energy facilities, and not the value of the underlying electricity. Alternatively, the costs shown for electricity procured represent prices of actual electricity procured for delivery and use by the end customer. In general, REC costs are additive to the conventional supply costs when calculating individual customer rate and bill impacts. The Agency also notes that the costs reported herein are only for the supply of electricity and do not include distribution, transmission or other costs related to the provision of electric service.

The Competitive Procurements include the Initial Forward Procurements, Subsequent Forward Procurements, and additional Forward Procurements conducted by the Agency, from 2017 through 2019, for the utilities, as required by Section 1-75(c)(1)(G) of the IPA Act. These procurements were conducted to procure 15-year contracts for RECs to be delivered annually from new utility-scale wind projects, new utility-scale solar projects and brownfield site photovoltaic projects. The REC deliveries were not to start before June 1, 2019 and were to start by June 1, 2022³⁹. On March 18, 2021, the IPA conducted a procurement for RECs from utility-scale wind projects as a follow up to a procurement held in October 2019 which did not result in any selected bids. The March 2021 procurement also had no selected bids. The average price and cost in Tables 11-1, 11-2, and 11-3 are for all the Competitive Procurements from 2017 through 2019. The average price and cost are based on actual deliveries.

The Agency has conducted competitive procurements of RECs from utility-scale wind, solar, and brownfield site solar projects under a new procurement model under which the price of the REC is indexed to wholesale energy market prices; those “Indexed REC” procurements were conducted in May 2022, December 2022, June 2023, and December 2023. Under the Indexed REC model, bidders submit a strike price which is used to evaluate bids. The actual REC price (and thus associated costs) are calculated based on the difference between the indexed monthly energy price and that strike price, and can be a positive or negative value.

³⁸ Illinois Power Agency, ICC Docket No. 09-373, Supplemental Filing (Nov. 9, 2009).

³⁹ This deadline was initially set at June 1, 2021 in Public Act 99-0906 and was subsequently extended to June 1, 2022 through Public Act 101-0113 in the event of certain development delays like the establishment of an operating interconnection.

Through the first Indexed REC procurement event, one wind, three solar, and one brownfield site project were selected at an average strike price of \$52.43.⁴⁰ Through the second procurement event, zero wind, seven solar, and four brownfield site projects were selected at an average strike price of \$72.59.⁴¹ Through the third procurement event, no wind, seven solar, and three brownfield site projects were selected at an average strike price of \$69.83.⁴² Through the fourth procurement event two wind, seven solar, and one brownfield site project were selected at an average strike price of \$74.10.⁴³ As no RECs delivered under contracts resultant from these procurements were delivered in the 2022-2023 delivery year (as projects generally take years to be successfully developed, energized, and delivering RECs), the impacts of these Indexed REC procurements are not included in the tables below.

Sections 1-75(c)(1)(K) and (L) of the IPA Act require the Agency to establish an Adjustable Block Program (“ABP”) for the procurement of RECs from new photovoltaic distributed generation systems and from new photovoltaic community renewable generation projects. Procurements under the ABP utilize 15 or 20-year REC delivery contracts, with RECs priced according to a transparent schedule of administratively-set prices developed through the IPA’s biannually-developed Long-Term Renewable Resources Procurement Plan. The average price and cost of ABP RECs in Tables 11-1, 11-2 and 11-3 are based on actual deliveries.

⁴⁰ See: <https://www.ipa-energyrfp.com/wordpress/wp-content/uploads/2022/05/Spring-2022-Indexed-REC-RFP-Results-12-May-2022-posted.pdf>.

⁴¹ See: <https://www.ipa-energyrfp.com/wordpress/wp-content/uploads/2022/12/Fall-2022-Indexed-REC-RFP-Results-15-Dec-2022-posted.pdf>.

⁴² See: <https://www.ipa-energyrfp.com/wp-content/uploads/2023/06/Summer-2023-Indexed-REC-RFP-Results-29-Jun-2023.pdf>.

⁴³ See: <https://www.ipa-energyrfp.com/wp-content/uploads/2023/12/Fall-2023-Indexed-REC-RFP-Results-14-Dec-2023.pdf>.

ComEd

Table 11-1 shows the average quantity, price and contract type of all renewable energy resources procured under the Long-term Renewable Resources Procurement Plan and a comparison of the cost of RECs relative to the cost of electricity under contract for delivery to ComEd during the 2022-2023 delivery year.

Table 11-1: ComEd - Comparison of the Cost of RECs Relative to the Cost of Electricity

Procurements of REC from Renewable Energy Resources	RECs and Electricity Delivered in the 2022-2023 Delivery Year		
	Quantity [RECs]	Average Unit Price	Cost ⁴⁴
Competitive Procurements	2,119,601	\$5.41	\$11,463,438
Adjustable Block Program	806,707	\$65.26	\$52,645,699
<u>2010 Long-Term Purchase Agreements - REC Procurement⁴⁵</u>	<u>1,261,725</u>	<u>\$13.65</u>	<u>\$17,221,305</u>
Total RECs	4,188,033	\$19.42	\$81,330,442
2010 Long-Term Purchase Agreements - Electricity Procurement ⁴⁶	1,261,725	\$53.62	\$67,647,580
Procurements of Electricity from Conventional Resources	Quantity [MWh]	Average Unit Price	Cost
2022 Fall Block Energy Procurement	7,035,500	\$104.05	\$732,012,717
2022 Spring Supplemental Block Energy Procurement ⁴⁷	4,563,200	\$107.87	\$492,220,636
2022 Spring Block Energy Procurement	1,588,075	\$73.34	\$116,475,427
2021 Fall Block Energy Procurement	3,374,200	\$34.88	\$117,684,283
2021 Spring Block Energy Procurement	3,308,400	\$24.89	\$82,345,944
2020 Fall Block Energy Procurement	2,416,000	\$24.94	\$60,247,101
<u>2020 Spring Block Energy Procurement</u>	<u>2,221,600</u>	<u>\$23.58</u>	<u>\$52,391,547</u>
Total Electricity from Conventional Resources	24,506,975	\$67.47	\$1,653,377,654

⁴⁴ Cost = Quantity times Average Unit Price.

⁴⁵ This represents the Annual Contract Quantity Commitment of RECs specified in the contract and the imputed REC price.

⁴⁶ This represents the energy associated with the Annual Contract Quantity Commitment of RECs specified in the contract and the difference between the Contract Price and the Imputed REC Price.

⁴⁷ The volumes and dollars awarded in the 2022 Supplemental Block Energy Procurement are reported separately from the volumes and dollars awarded in the 2022 Spring Block Energy Procurement.

Ameren Illinois

Table 11-2 shows the average quantity, price and contract type of all renewable resources procured under the Long-term Renewable Resources Procurement Plan and a comparison of the cost of RECs relative to the cost of electricity under contract for delivery to Ameren Illinois during the 2022-2023 delivery year.

Table 11-2: Ameren Illinois - Comparison of the Cost of RECs Relative to the Cost of Electricity

Procurements of REC from Renewable Energy Resources	RECs and Electricity Delivered in the 2022-2023 Delivery Year		
	Quantity [RECs]	Average Unit Price	Cost ⁴⁸
Competitive Procurements	870,952	\$5.42	\$4,719,282
Adjustable Block Program	582,585	\$59.40	\$34,607,086
<u>2010 Long-Term Purchase Agreements - REC Procurement⁴⁹</u>	<u>600,000</u>	<u>\$8.07</u>	<u>\$4,842,000</u>
Total RECs	2,053,537	\$21.51	\$44,168,368
2010 Long-Term Purchase Agreements - Electricity Procurement ⁵⁰	600,000	\$53.42	\$32,050,000
Procurements of Electricity from Conventional Resources	Quantity [MWh]	Average Unit Price	Cost
2022 Fall Block Energy Procurement	1,609,400	\$104.88	\$168,793,872
2022 Spring Block Energy Procurement ⁵¹	3,552,800	\$98.93	\$351,475,604
2021 Fall Block Energy Procurement	678,800	\$37.83	\$25,681,086
2021 Spring Block Energy Procurement	834,600	\$28.19	\$23,524,146
2020 Fall Block Energy Procurement	586,800	\$28.35	\$16,636,422
<u>2020 Spring Block Energy Procurement</u>	<u>506,800</u>	<u>\$26.59</u>	<u>\$13,476,372</u>
Total Electricity from Conventional Resources	7,769,200	\$77.17	\$599,587,502

⁴⁸ Cost = Quantity times Average Unit Price.

⁴⁹ This represents the Annual Contract Quantity Commitment of RECs specified in the contract and the imputed REC price.

⁵⁰ This represents the energy associated with the Annual Contract Quantity Commitment of RECs specified in the contract and the difference between the Contract Price and the Imputed REC Price.

⁵¹ The volumes and dollars awarded in the 2022 Supplemental Block Energy Procurement are combined with the volumes and dollars awarded in the 2022 Spring Block Energy Procurement

MidAmerican

Table 11-3 shows the price and contract type of all renewable resources procured under the Long-term Renewable Resources Procurement Plan during the 2022-2023 delivery year.⁵²

Table 11-3: MidAmerican - Comparison of the Cost of RECs Relative to the Cost of Electricity

Procurements of REC from Renewable Energy Resources	RECs and Electricity Delivered in the 2022-2023 Delivery Year		
	Quantity [RECs]	Average Unit Price	Cost ⁵³
Competitive Procurements	9,527	\$5.3	\$50,493.10
<u>Adjustable Block Program</u>	<u>2,786</u>	<u>\$63.48</u>	<u>\$17,6855.28</u>
Total RECs	12,313	\$18.46	\$227,348

Term of REC Contracts for all Utilities

The IPA's procurement of renewable energy resources includes REC procurements of various terms (i.e., length of contract). Table 4 shows the term⁵⁴ associated with each procurement of renewable resources for delivery to Ameren Illinois, ComEd and MidAmerican during the 2022-2023 delivery year.

Table 11-4: Term of RECs Contracts for Delivery during the 2022-2023 Delivery Year

Procurements from Renewable Energy Resources	Ameren Illinois & ComEd Delivery Terms	MidAmerican Delivery Terms
Competitive Procurement RECs under Contract	15 years starting June 2019	15 years starting June 2019
Adjustable Block Program RECs under Contract	15 years starting June 2019	15 years starting June 2019
2010 Long-Term Purchase Agreements REC Procurement	20 years starting June 2012	-

⁵² There were no applicable Procurements of Electricity from Conventional Resources for MidAmerican for the 2022-2023 Delivery Year.

⁵³ Cost = Quantity times Average Unit Price.

⁵⁴ The term indicated in this section is merely the nominal term for REC deliveries upon a system becoming energized or beginning with its first REC deliveries; the full term applicable to obligations under REC delivery contracts may vary depending on the contracted system's specific development schedule (i.e., contractual obligations may still need to be fulfilled before deliveries commence, and achieving those milestones may occur months or even years later than the month/year specified in Table 4). No 20-year Adjustable Block Program REC contracts have commenced delivery to date.

(12) A comparison of the costs associated with the Agency's procurement of renewable energy resources to (A) the Agency's costs associated with electricity generated by other types of generation facilities and (B) the benefits associated with the Agency's procurement of renewable energy resources.⁵⁵

The costs associated with the Agency's procurement of renewable energy resources and the Agency's costs of electricity generated by other types of generation facilities are presented above in section (11). The environmental and economic benefits that result from the generation of renewable energy are considered in both quantitative and qualitative terms in this section. The primary benefits associated with renewable energy resources are attributable to the reduction of the pollutants emitted by fossil fuel electricity generation that is displaced by electricity generated from renewable resources, and from the economic benefits provided by the construction and operation of these renewable generation facilities. The monetary estimates of the environmental benefits are focused on the reduced costs that result from the avoidance of emissions-related adverse health effects and economic impacts such as crop damage. The economic benefits include increased employment associated with the construction and operation of renewable resource facilities, increased taxes or payments in lieu of taxes, and the local revenue and supply chain benefits available to local businesses which supply products and services to these facilities and their workers.

1. Environmental Benefits

The environmental benefits associated with renewable energy generation primarily involve avoiding the pollutants emitted from electricity generated by the combustion of fossil fuels. Emissions from the combustion of fossil fuels—specifically, particulate matter (PM),⁵⁶ sulfur dioxide (SO₂) and nitrogen oxides (NO_x)—are linked to a wide range of adverse health effects. Adverse health impacts resulting from PM emissions are relative, to the size of the particles. The smaller the particle, the greater the potential for damaging health effects. Fine particles referred to as PM_{2.5} are the most damaging. These particles are associated with respiratory diseases such as asthma, bronchitis, and emphysema as well as cardio-pulmonary disease and cancer.⁵⁷ A recent study of the health effects of PM_{2.5} emissions from

⁵⁵ 20 ILCS 3855/1-125(12).

⁵⁶ PM emissions are generally reported as either PM₁₀, particulates that have diameters of 10 micrometers or less, or PM_{2.5}, particulates of 2.5 micrometers or less.

⁵⁷ State of Illinois, Illinois Environmental Protection Agency, Illinois Annual Air Quality Report, 2021.

coal-fired generating plants indicates that these particle emissions are more damaging to human health than previously thought.⁵⁸ PM_{2.5} emissions can also damage the surfaces of agricultural crops adversely affecting growth rates and yields. Health impacts associated with SO₂ emissions include irritation and inflammation of tissue exposed to the pollutant, which may exacerbate respiratory diseases. NO_x emissions can have adverse impacts such as respiratory and eye irritation and reduced crop yield.

SO₂ and NO_x emissions also add to PM_{2.5} emissions impacts with the formation of particulates as some of the SO₂ and NO_x emissions evolve into nitrate and sulfate particles in the atmosphere after being emitted. NO_x emissions are also a precursor to the photochemical formation of ozone (O₃). Elevated levels of O₃ in the atmosphere can result in significant damage to vegetation, as well as lung damage, and can exacerbate respiratory diseases. Carbon dioxide (CO₂), emitted by the combustion of fossil fuels, contributes to climate change. CO₂ also indirectly impacts public health concerns such as reduced agricultural production, increased waterborne and pest-related diseases, increased storm severity, and ocean acidification.⁵⁹

In Illinois, coal and natural gas power plants are responsible for most of the emissions associated with electricity generation. In 2022, these two generation sources accounted for more than 99% of the CO₂, SO₂ and PM_{2.5} as well as 91% of the NO_x emissions from electricity generation. Table 5 shows the emissions from these pollutants by electric generation in Illinois in 2022. These data were taken from publications of the U.S. Energy Information Administration which reported SO₂, NO_x and CO₂ emissions from power generation in the state for 2022.⁶⁰ The PM_{2.5} emissions were estimated based on U.S. EPA Air Emissions Inventories Air Pollutant Emissions Trends.⁶¹ These emissions are shown in the following table.

⁵⁸ Henneman, Lucas; Choirat, Christine; Dedoussi, I; Dominici, Francesca; Roberts, Jessica; Zigler, Corwin, "Mortality risk from United States coal electricity generation," *Science* 24 November 2023, Vol. 382, Issue 6673, pp. 941-946. Previous studies that quantified the mortality associated with coal-fired emissions assumed that PM_{2.5} from coal has the same health impacts as PM_{2.5} from other sources. See News Release Harvard T.H. Chan School of Public Health, November 23, 2023, "Particulate pollution from coal associated with double the risk of mortality than PM_{2.5} from other sources."

⁵⁹ U.S. Environmental Protection Agency, Air Pollution: Current and Future Challenges, www.epa.gov/clean-air-act-overview/air-pollution-current-and-future-challenges, updated October 23, 2023, accessed November 11, 2023.

⁶⁰ U.S. Energy Information Administration, Electricity, Detailed State Data-Final Annual Data for 2022, released in September 2023, accessed November, 2023, www.eia.gov/electricity/data/state.

⁶¹ U.S. EPA Air Pollutant Emissions Trends Data Criteria Pollutants State Tier 1 for 1990-2022 updated April 5, 2023. <https://www.epa.gov/data/air-emissions-inventories/air-pollutant-emissions-trends-data>.

Table 12-1: Illinois Power Generation Emissions 2022 (Tons)

SO2	57,832
NOx	30,675
PM 2.5	2,245
CO2	59,309,990

Emission factors in this report for the emissions avoided by renewable energy generation are based on the Avoided Emissions and Generation Tool (“AVERT”) model developed by the U.S. EPA which was updated in April 2023.⁶² The AVERT⁶³ is used to evaluate changes in pollutants (PM2.5, CO2, NO_x, SO2) emitted from electric power generation due to increases in energy efficiency or renewable resource generation. The AVERT model calculates emission impacts in terms of emissions from coal and natural gas power plants that are avoided by using wind and solar generation. Avoided emission rates are calculated on a regional basis using the AVERT model for the Midwest and Mid- Atlantic regions. The AVERT modeling regions are equivalent to MISO and PJM, respectively. The AVERT emission rates are multiplied by the renewable energy procured by the Agency to determine the avoided emissions which are then multiplied by the estimated environmental impacts (also referred to as “damages”) for each pollutant to provide the monetary benefits associated with the renewable energy represented by the number of RECs delivered each year. Using the AVERT model provides more quantitatively robust estimates of the actual emissions that are avoided by the Agency’s renewable energy procurements. The Agency used the Midwest Region emission factors for determining the costs for Illinois since the avoided emissions profiles for this region are more reflective of the emissions avoided by renewable energy in Illinois than the avoided emissions profiles for the Mid-Atlantic region. For 2022, the generation emission factors (e.g., avoided emissions rates) for onshore wind, utility-scale PV and DG PV are shown in the following table:

⁶² AVERT v 4.1 Avoided Emission Rates 2017-2022 (April 2023).

⁶³ AVERT analyzes electric power sector impacts on an hour-by-hour basis to produce marginal emission rates on a regional basis for six categories clean generation resources including onshore wind, utility-scale PV and rooftop-scale PV. <http://epa.gov/avert/avoided-emission-rates-generated-avert>.

Table 12-2: Midwest Regional Emission Factors 2022

Pollutant	Onshore Wind	Utility Scale PV	DG PV
CO2 (lbs/MWh)	1,558	1,551	1,674
SO2 (lbs/MWh)	1.21	1.08	1.16
NOx (lbs/MWh)	0.93	0.94	1.01
PM2.5 (lbs/MWh)	0.09	0.10	0.10

Emissions that are displaced by renewable generation can be determined with reasonable specificity, however, assigning monetary values to these emissions benefits is subject to significant uncertainty. Considering this uncertainty, in this report emissions quantities and emissions factors are reported as specific data points, while the monetary benefits of the emissions displaced by wind and solar generation are reported as ranges.

Several studies^{64,65,66} developed estimates for the marginal impacts from electricity generation emissions. The ranges of impacts in dollars per ton emitted are based on the monetary values reported in these studies converted to 2022 dollars:⁶⁷

Table 12-3: Ranges for Pollutant Impacts (2022 \$/ton)

SO ₂	7,900 – 35,000
NO _x	2,200 – 16,700
PM _{2.5}	12,900 – 120,700

The range of estimates highlight the considerable uncertainties associated with the estimation

⁶⁴ Jaramillo, P. and Muller, N., “Air pollution emissions and damages from energy production in the U.S.: 2002-2011, Energy Policy 90 (2016) pp.202-211.

⁶⁵ Goodkind, A.L. et al, “Fine-scale damage estimates of particulate matter air pollution reveal opportunities for location-specific mitigation of emissions,” PNAS, April 30, 2019, vol. 116, no. 18, 8775-8780, www.pnas.org/cgi/doi/10.1073/pnas.1816102116.

⁶⁶ Holland, S.P.; Mansur, E.T.; Muller, N.; Yates, A.J.; Decompositions and Policy Consequences of an Extraordinary Decline in Air Pollution from Electricity Generation, NBER Working Paper 25339, December 2018.

⁶⁷ Prices escalated using St. Louis Reserve Bank Price Indexes for Domestic Product. Release Tables, Table 1.1.4 Annual, <https://fred.stlouisfed.org>

of monetary values of emission impacts. These estimations are dependent on a varying range of assumptions and inputs between studies. In particular the wide range of impacts for PM_{2.5} emissions reflects the importance that some studies place on the health effects associated with these emissions. As a result, the range of estimated values provided below should be understood to be extrapolations and estimates rather than definitive calculations of benefits by the Agency.

Estimates of the avoided damages from displaced CO₂ emissions are based on the social cost of carbon. The U.S. EPA defines the social cost of carbon (social cost of greenhouse gases) as the “monetary value of the future stream of net damages associated with adding one ton of greenhouse gas to the atmosphere.” This metric includes: “the value of all climate change impacts (both negative and positive) including (but not limited to) changes in net agricultural productivity, human health effects, property damage from increased flood risk, changes in the frequency and severity of natural disasters, disruption of energy systems, risk of conflict, environmental migration, and the value of ecosystem services.” However, “because of data and modeling limitations, which prevent full representation of harmful climate impacts, estimates of the social cost of greenhouse gases (SC-GHG) - including the updated values presented in this report – are a partial accounting of climate change impacts and, as such, lead to underestimates of the marginal costs of abatement.”⁶⁸ From the EPA’s perspective, the social cost of carbon only includes the costs and benefits associated with CO₂ emissions that can be quantified. While CO₂ emissions have global impacts, the EPA’s quantification of the costs is focused on the costs and benefits that affect individuals and accrue to regulated entities in the U.S.

The social cost of carbon is typically presented in terms of dollars per ton of CO₂ which represents the economic impacts that would result from the emissions of an additional ton of carbon. The social cost of carbon measures the estimated future impacts from carbon emissions in terms of present value using a discount rate. Within this estimation is the assumption that the geographic area impacted by CO₂ emissions, either global impacts or domestic impacts is specific to the United States. Since 2008 the estimated values for the social cost of carbon have evolved based on growing scientific data that improved the understanding of the impacts of greenhouse gas emissions. This evolution generated considerable political controversy as the values of the social cost of carbon changed.

For this Annual Report, the Agency considered a range of values for the social cost of carbon used to determine the benefits of displaced CO₂ emissions. The 2022 Annual Report used the domestic social cost of carbon (in 2020 dollars escalated to 2022 dollars) of \$15.50/ton

⁶⁸ Report on the Social Cost of Greenhouse Gases: Estimates Incorporating Recent Scientific Advances, November 2023, National Center for Environmental Economics, Office of Policy, Climate Change Division, Office of Air and Radiation, U.S. Environmental Protection Agency, Docket ID No. EPA-HQ-OAR-2021-0317.

determined using a 5% discount rate and the social cost of carbon of \$56.50/ton determined using a 3% discount rate to provide the range.^{69,70} That value for the social cost of carbon was based on estimates and calculations by the Interagency Working Group (“IWG”) developed in 2016. The U.S. EPA’s most recent social cost of carbon estimate (November 2023) uses a 2.5 percent discount rate to arrive at a value of \$120/metric ton for 2020, a significantly higher value than that derived from the 2016 IWG report. Following the EPA’s estimate of the real annual rate of increase of 1.55 percent for this cost, converting the value to 2022 dollars and converting to tons gives an equivalent social cost of carbon of \$152/ton. This is the value that the Agency is using as the upper end of the range of social cost of carbon values for the calculation of displaced CO₂ emissions benefits.

Using RECs procured by the Agency and delivered to the utilities for the 2022-2023 delivery year, it is estimated that renewable resource projects under contract generated a total of 4,392,150 MWh, with 3,000,080 MWh from competitive wind and utility PV procurements and 1,392,078 MWh from the ABP (see Tables 11-1 through 11-3 in Section 11 above). The renewable resource generation associated with the RECs procured by the Agency represents 18% of the renewable generation in Illinois, which was 24,408,000 MWh for the 2022-2023 delivery year.⁷¹

The ranges of estimated benefits for the emissions displaced by the renewable generation associated with the Agency’s REC procurements for the delivery year 2022-2023 are shown in Table 12-4. These values were calculated using the AVERT emissions factors shown in Table 12-2, the impact values shown in Table 12-3, and the MWh of renewable generation shown above.

Table 12-4: Estimated Benefits of Renewable Resources Procured by the Agency and Delivered to the Utilities in the 2022-23 Delivery Year (Millions 2022\$)

SO ₂	19.9 - 88.4
NO _x	4.6 - 35.2
PM _{2.5}	2.7 - 25.6
CO ₂	54.1 - 530.6
Total	81.4 - 679.8

The higher estimated benefits for the 2022-2023 delivery year compared to the values of the

⁶⁹ Interagency Working Group on Social Cost of Greenhouse Gases, United States Government, February 2021, Technical Support Document: Social Cost of Carbon, Methane, and Nitrous Oxide, Interim Estimates under Executive Order 13990.

⁷⁰ For context the \$16.50/MWh Social Cost of Carbon used for the development of the Zero Emission Standard Procurement Plan translates to \$31.37/ton based on a CO₂ emissions factor of 1,052 lbs./MWh.

⁷¹ U.S. EIA, Electric Power Monthly. February 2023 and July 2023 issues. [https://www.eia.gov/electricity/monthly/..](https://www.eia.gov/electricity/monthly/)

benefits in last year's Annual Report are primarily due to the increased number of RECs procured by the Agency. The exception is the large increase in the high end of the CO2 emissions benefits which reflect the EPA's latest social cost of carbon value.

The U.S. EPA's assessment of the public health benefits associated with the reduction of emissions by utility scale wind and solar generation in the Midwest for 2019 applied to the Agency's REC procurements in delivery year 2022-2023 ranged from an average of \$91.2 million to \$205.9 million (2022\$).⁷² The EPA's public health benefit calculation uses emissions from generation displaced by the renewable generation quantifying the reduction of PM_{2.5}, SO₂ and NO_x emissions, excluding benefits associated with reduced CO₂ emissions. The total estimated environmental benefits of the IPA's competitive REC procurements, excluding the benefits of displaced CO₂ emissions for the 2022-2023 delivery year range from \$18.5 million to \$100.7 million. The total health and environmental benefits to be \$97 billion for the U.S. throughout the forecast period.⁷³

Based on the range of emissions benefits utilized above and the estimated delivery quantity of 1,392,078 ABP RECs for the 2022-23 delivery year, the ABP emissions benefits range from a low of \$8.9 million to a high of \$48.4 million excluding the CO₂ emissions displacement benefits and from \$26.9 million to \$225.5 million including these benefits.

2. Economic Benefits

The increasing integration of renewable energy into the electric grid in Illinois has been driven in large part by the state's RPS requirements which have a primary goal of reducing the adverse health and environmental impacts of electricity generation. In addition to environmental benefits, renewable generation offers economic benefits. The economic benefits attributed to renewable energy include potential electricity price reductions, increased electric system reliability through portfolio diversity, state and regional economic development benefits, including employment and tax revenue benefits. Targeted solar PV distributed generation programs, such as the Solar for All Program, provide additional benefits through incentives for the development of renewable resources in under-served, low-income communities; addressing environmental justice issues affecting these communities; increased job training and employment in high unemployment areas; and

⁷² U.S. Environmental Protection Agency, "Public Health Benefits per kWh of Energy Efficiency and Renewable Energy in the United States: A Technical Report," May 2021 – Second Edition.

⁷³ Id. at 45.

improving local distribution system reliability.⁷⁴

a) Electricity Price Benefits

Price Moderation and Portfolio Diversity

Wind and solar power have the potential to lower wholesale electricity costs and increase generation supply portfolio diversity. Wind and solar generation costs are not impacted by fuel price volatility since these resources do not use any fuel. In addition to moderating fuel induced price volatility, wind and solar can provide diversity benefits to a generation portfolio that contains significant incumbent fossil fuel and nuclear generation. Renewable resources offer improved reliability by increasing substitutability in the resource mix where incumbent fossil fuel resources can be adversely impacted by fuel supply and transportation issues, supply disruptions, and the potential delay or avoidance of conventional generation capital expenditures.⁷⁵

An adequate level of fuel diversity involves a mix of different generation technologies that allows for increased generation flexibility and adaptability contributing to grid reliability. PJM lists the benefits of fuel diversity as the ability to withstand equipment failures among similar generation technology types, fuel price volatility, and fuel supply disruptions among other possible electric system shocks while maintaining system reliability,⁷⁶

Ideal fuel diversity reflects an approximately equal contribution to system generation by a mix of resource technologies. Fuel diversity can be augmented by battery storage. Electricity generation in Illinois is dominated by nuclear power, which in 2022 provided 53.3% of the state's total generation (followed by coal at 21.9%, wind at 12.7%, natural gas at 10.7%, and solar at 0.8%).⁷⁷ As fossil fuel generation is phased out in Illinois, the state's fuel diversity will be dependent on increasing the contributions of wind and solar generation as well as increased deployment of battery storage.

Wind and solar in a diversified portfolio can provide a hedge against cost impacts associated

⁷⁴ U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy, Solar Energy Technologies Office. "Community Solar: Overview, ownership models, and the benefits of locally-owned community solar projects," June 2023. NREL/PR-7A40-86210.

⁷⁵ U.S. Environmental Protection Agency, "Quantifying the Multiple Benefits of Energy Efficiency and Renewable Energy: A Guide for State and Local Governments. Part One: The Multiple Benefits of Energy Efficiency and Renewable Energy." 2018 edition.

⁷⁶ PJM Interconnection, PJM's Evolving Resource Mix and System Reliability, March 30, 2017.

⁷⁷ U.S. EIA Electricity State historical tables for 2022, <https://www.eia.gov/electricity/data/state/>, Final data released November 1, 2023.

with changes in environmental regulations that could adversely impact the costs of, and ultimately the price of electricity, generated by fossil fuel and nuclear power plants.⁷⁸ Wind, solar, and other forms of renewable energy are not subject to uncertainty involving the potential for future carbon taxes, unlike fossil fuel-fired power plants.

Since a majority of the costs associated with wind and solar generation involve upfront investments, these resources have low operating costs once energized. The resulting low marginal costs can result in reduced wholesale prices of electricity by shifting more expensive (on a marginal cost basis) resources out on the supply curve. However, net wholesale pricing benefits attributable to renewable energy resources are difficult to monetize and involve determinations that are impacted by the trade-off between the system costs⁷⁹ incurred by higher market penetration and the downward pressure exerted on wholesale electricity prices by higher levels of renewable resource generation. A study conducted by the International Monetary Fund on European electricity prices shows the general impact of renewable energy on wholesale prices for a period of 2014 through 2021 in which a 0.6% drop in wholesale electricity prices occurred for each 1% increase in renewable energy market share.⁸⁰ This general relationship typically holds for competitive electricity markets including competitive markets in the U.S. and Illinois.

Impacts on Locational Marginal Prices

Wholesale electric energy prices for competitive markets such as MISO and PJM are determined on an hourly basis when the quantity of electricity offered in the market meets the quantity demanded. When supply meets demand the electricity market clears, that is prices are set or settled at Locational Marginal Prices (“LMPs”). The LMP is the marginal cost of meeting the next increment of demand that is satisfied by the market and includes the energy price, transmission congestion cost and the cost of marginal losses.

A study focused on Illinois wholesale electricity markets estimated the impact of renewable resource generation on wholesale energy prices in MISO and PJM as reducing wholesale

⁷⁸ Loomis, D., Stroup, I., Center for Renewable Energy, Illinois State University, “Economic Impact: Illinois Wind Energy Development,” June 2016, at 10.

⁷⁹ System costs generally refer to the costs incurred by increasing variable renewable energy penetration involving grid extension and reinforcement, transmission, and balancing.

⁸⁰ Cevik, S. and Ninomiya, K. “Chasing the Sun and Catching the Wind: Energy Transition and Electricity Prices in Europe,” International Monetary Fund, WP/22/220, November 2022.

prices in a range of from \$1.00/MWh to \$6.70/MWh for utility-scale wind projects.⁸¹ Another study of Midwest wholesale electricity prices estimated the impact of wind generation amounted to a \$0.14 per MWh price reduction for each 100 MW of capacity added. Using this estimate, the 4,083 MW of wind generation added in Illinois from October 2013 through October 2023 contributed to a \$5.72/MWh reduction in wholesale prices.⁸² These studies show that wind and solar generation have definite price impacts but wholesale electricity prices are also impacted, at times with significant price spikes and price collapses, by fluctuating natural gas prices and adverse weather conditions.

The growing share of renewable energy in competitive wholesale markets has led to increasing periods of negative prices. Renewable resources which bolster revenues through the sale of RECs and obtain financial support through other incentives such as production tax credits may, during periods of low demand and low energy prices, find it advantageous to bid negative prices into the market to ensure dispatch rather than shut down production. While negative prices exert downward pressure on wholesale market energy prices, negative prices also distort price signals in the market that provide the incentive to build new capacity.

MISO's 2011 launch of the Dispatchable Intermittent Resources ("DIRs") program allows registered intermittent (variable) generation (mostly wind generators) to participate in the Real-Time Energy Market and set the Real-Time price. Wind generation resources in MISO receive production tax credits, which allow these resources to submit negative energy offers in the energy market. Negative price hours are usually correlated with higher variable renewable energy generation, especially during low system loads. The low marginal-cost generation including negative price bidding shifts the supply curve out to the right reducing near-term wholesale prices.⁸³

The above discussion focused on the impact of renewable generation on wholesale power prices there have been limited studies on the impact on capacity prices, although several of the studies referenced the potential for increasing wind and solar generation to have

⁸¹ "Cost Analysis of Renewable Energy Deployment in Illinois," The Power Bureau, April 2021.

⁸² See: MIT Center for Energy and Environmental Policy Research. Large-Scale Wind Power Investments Impact on Wholesale Electricity Markets. MITCEEPR Working Paper 2021-020, December 2021. Quint, D. and Dahlke, S., "The impact of wind generation on wholesale electricity prices in the midcontinent independent system energy market: an empirical investigation," Energy 169, 456-466.

⁸³ Wiser, R.; A. Mills; J. Seel; T. Levin; A. Botterud; "Impacts of Variable Renewable Energy on Bulk Power System, Assets, Pricing and Costs." Lawrence Berkeley National Laboratory and Argonne National Laboratory. November 2017.

negative long-term impacts on capacity prices. FERC has highlighted the price suppression concerns of renewables on capacity prices in PJM in the docket dealing with (i) Calpine's complaint that PJM's Minimum Offer Price Rule ("MOPR") is unjust and unreasonable because it does not address the impact of subsidized existing resources on the capacity market, and (ii) PJM's filing consisting of two alternate proposals designed to address the price suppressing effects of state out-of-market support for certain resources.⁸⁴ FERC, in their order noted as follows:

"PJM, however, recognizes that in today's market, even if a load-serving entity's or a state's primary goal may not be to suppress price, the growing use of out-of-market support of renewable resources can have a significant effect on prices. PJM presents evidence showing that the MW-level of renewable resources receiving out-of-market support has increased significantly and raises price suppression concerns, similar to other resources receiving out-of-market support. Intervenors echo this same concern."⁸⁵ (Underlining added for emphasis)

Following up on their June 29, 2018 Order, FERC issued another order directing PJM to submit a replacement rate that extended the MOPR to resources receiving out-of-market payments. FERC, in that order noted as follows:

"The evidence in this proceeding shows that RPS programs are growing at a rapid pace, and resources participating in these programs will increasingly have the ability to suppress capacity market prices."⁸⁶ (Underlining added for emphasis)

In the 2022 PJM State of the Market Report, the PJM Market Monitor reported that in 2022, 62.4 percent of the wind marginal units had negative offer prices, 33.2 percent had zero offer prices and 1.4 percent had positive offer prices.⁸⁷ The implications from the PJM Market Monitor report suggests that wind units in PJM exert downward pressure on LMPs.

⁸⁴ Order Rejecting Proposed Tariff Revisions, Granting in Part and Denying in Part Complaint, and Instituting Proceeding under Section 206 of the Federal Power Act, 163 FERC ¶ 61,236, FERC Docket No. EL16-49-000 et al, June 29, 2018 ("The June 29, 2018 Order").

⁸⁵ Id. at p.102.

⁸⁶ Order Establishing Just and Reasonable Rate, 169 FERC ¶ 61,239, FERC Docket No. EL18-178-000 (Consolidated), December 19, 2019.

⁸⁷ Monitoring Analytics, LLC, 2022 State of the Market Report for PJM, March 9, 2023. Volume 2 at 196.

b) Economic Development Opportunities

In 2016, the Illinois State University's Center for Renewable Energy issued "Economic Impact: Illinois Wind Energy Development," a report that modeled the economic impact of wind energy on Illinois' economy by entering wind project-specific information into the NREL's Jobs and Economic Development Impact ("JEDI") model. The model was used to estimate the income, economic activity, and number of job opportunities accruing to the state from the wind projects that have generating capacities of larger than 50 MW. The report estimated that the development of the 25 largest Illinois wind farms installed at the time of the analysis, accounting for 3,610 MW of nameplate capacity out of a total nameplate capacity for all wind projects in the state of 3,842 MW, was responsible for 20,173 full-time equivalent jobs in Illinois during construction and 869 permanent jobs, and would generate a total economic benefit of \$6.4 billion⁸⁸ during the construction and typical 25-year operational lives of the projects of about \$250 million on an annualized basis.

The U.S. Energy Information Administration reported that as of October 2023 installed wind capacity in Illinois was 7,603 MW up 8.1 percent from 7,034 MW in October 2022 and installed solar PV capacity in Illinois was 2,029 MW up 15.3 percent from 1,759 MW in October 2022.⁸⁹ Small-scale solar installations (facilities of less than 1 MW) accounted for 1,093 MW of the solar capacity. During this period utility-scale PV capacity increased to 936 MW. The Solar Energy Industries Association ("SEIA") data on the solar industry in Illinois indicated that solar employment in Illinois in 2022 totaled 5,652.⁹⁰

The wind reports by Illinois State University found that renewable power development leads to the creation of temporary and permanent jobs requiring highly skilled workers in the fields of construction, management, and engineering.⁹¹ Construction phase jobs typically last anywhere from six months to over a year, while operational jobs, including operations and maintenance positions, last the life of the generating facility, typically 20-30 years.⁹²

The jobs and economic benefits estimated in the wind report included "turbine and supply

⁸⁸ Economic Impact: Illinois Wind Energy Development at 6.

⁸⁹ U.S. Energy Information Administration, Electric Power Monthly, December
www.eia.gov/electricity/monthly/archive/epm://www.eia.gov/electricity/monthly/archive/epm.

⁹⁰ SEIA, Solar Spotlight Illinois, Illinois Solar Factsheet Q3 2023.

⁹¹ Economic Impact: Wind Energy Development in Illinois at 23.

⁹² Id.

chain impacts,” which can also be referred to as “indirect impacts.”⁹³ Indirect impacts occurred both in the construction and the operation of wind turbines and included construction spending on materials and wind farm equipment and other purchases of goods and offsite services. The supply chain of inputs required to produce these goods and services; and project revenues that flow to the local economy in the form of land lease revenue, property tax revenue, and revenue to equity investors are also indirect impacts.⁹⁴ The estimated benefits also included local spending by employees working directly or indirectly on the wind farm project who receive their paychecks and then spend money in the community.⁹⁵ Additional economic impacts referred to in the study as “induced impacts” were also considered, these impacts result from changes in household spending in the areas surrounding the wind project development due to increased income brought about by the direct and indirect impacts.⁹⁶ The solar report showed similar types of economic benefits would be associated with the development of photovoltaic generating facilities.

The analysis in the wind report also determined the 25 largest wind projects in Illinois are estimated to generate more than \$30.4 million in annual property taxes.⁹⁷ An analysis of historical property taxes in Illinois showed that in 2019 utility-scale wind and solar projects paid \$41.4 million in property taxes and a combined \$49 million in state and local taxes.⁹⁸ Local governments can also receive significant amounts of revenue from permitting fees.⁹⁹ Benefits to landowners identified included revenue from leasing their land, which the report found amounted to almost \$14 million annually.¹⁰⁰ Potential local concerns include wear and tear on roads during construction, unfunded decommissioning cost liability, and possibly lowered land values that should be considered when evaluating any specific project’s impacts.

According to the American Clean Power Association, wind power contributes more than \$57

⁹³ Id. at 19.

⁹⁴ Id. at 20.

⁹⁵ Id. at 20.

⁹⁶ Id. At 20.

⁹⁷ Id. at 23.

⁹⁸ “Economic Impact of Wind and Solar Energy in Illinois and the Potential Impacts of Path to 100 Legislation,” David G. Loomis, Strategic Economic Research, LLC, December 2020.

⁹⁹ Id. at 18.

¹⁰⁰ The study noted that these payments to landowners usually extend over the 25-year life of the project and can involve adjustments for inflation which would result in higher payments over time.

million annually in state and local taxes and \$47 million in land lease payments in Illinois.¹⁰¹ The Clean Jobs Midwest Illinois Fact Sheet reported that in 2022 that out of a total of 18,728 jobs in renewable energy in Illinois, 6,579 were in solar generation and 9,285 jobs in wind generation.¹⁰²

The Agency's renewable energy procurement plans include support for the development of utility-scale solar as well as community solar and photovoltaic distributed generation ("DG"). DG includes residential solar and commercial and industrial solar with a capacity of less than 5 MW.¹⁰³ The Agency procures DG and community solar RECs through the Adjustable Block and Illinois Solar for All programs. The estimated emissions benefits associated with the delivery quantity of 1,392,078 ABP RECs for 2022-23, ranged from \$26.9 million to \$225.6 million.

Distributed generation, community solar, and utility-scale solar PV offer economic and environmental benefits to differing degrees. On a levelized cost of energy basis (exclusive of federal tax benefits from the Investment Tax Credit and the Production Tax Credit) utility-scale PV costs fall in the range of \$24 to \$96/MWh, \$117 to \$282/MWh for residential rooftop solar, \$49 to \$185/MWh for commercial and industrial rooftop solar, and \$46 to \$102/MWh for community solar.¹⁰⁴ Lower cost utility-scale PV generation means more solar generation can be procured to maximize environmental and price impact benefits at lowest overall system cost.¹⁰⁵ The Agency could procure more RECs from utility-scale projects at a lower total cost than a similar amount of RECs from DG or community solar. Distributed Generation compared to utility-scale PV are both heavily impacted by net metering policies. Net metering improves the economics of DG by allowing DG systems to sell excess electricity back to the grid at or near retail prices. Utility-scale systems have more renewable generation capacity and greater emissions benefits for the same cost. DG systems also offer additional benefits, including greater local employment impacts, potential to avoid some transmission

¹⁰¹ American Clean Power Association, Wind Energy in Illinois, accessed December 27, 2023.

¹⁰² Clean Jobs Midwest Illinois Fact Sheet. <http://www.cleanjobsmidwest.com/state/illinois>, accessed December 27, 2023.

¹⁰³ Prior to the enactment of Public Act 102-0662, the limit was 2 MW.

¹⁰⁴ Lazard's Levelized Cost of Energy Analysis, Version 16.0, April 2023, <https://www.lazard.com/research-insights/2023-levelized-cost-of-energyplus/>.

¹⁰⁵ Tsuchida, B. et. al., "Comparative Generation Costs of Utility-Scale and Residential-Scale PV in Xcel Energy Colorado's Service Area," The Brattle Group, July 2015, brattle.com/news-and-knowledge/publications/comparative-generation-costs-of-utility-scale-and-residential-scale-pv-in-xcel-energy-colorados-service-area.

and distribution system investments and distributing the benefits of renewable resource electricity to a more diverse range of participants in terms of income strata and geographic location.

The IPA's incentives for the development of photovoltaic distributed generation projects and community solar projects have a wide range of local impacts as those projects are spread throughout the state. Some employment impacts are already being observed: since more than 86 percent of the solar capacity added in from October 2022 to October 2023 involved projects of 1 MW or less, most of the 2022 jobs in the solar industry are focused on small scale distributed PV generation.

c) Workforce Diversity and Use of Graduates of Job Training Programs

The Long-Term Renewable Resources Procurement Plan contains a requirement applicable to Illinois Shines Approved Vendors¹⁰⁶ that Annual Reports include reporting on “[o]ther information related to ongoing program participation, including use of graduates of job training programs and other information related to increasing the diversity of the solar workforce.”¹⁰⁷

The Agency conducted a stakeholder feedback process on how to collect this information in June of 2020 and finalized the reporting requirements in July of 2020.¹⁰⁸ Those finalized reporting requirements included a provision that “[t]he Agency will publicly report aggregated data and other information from the Annual Reports that does not identify the specific Approved Vendor.”

Information provided by Approved Vendors in response to this job training and diversity requirement was submitted at the Approved Vendor level (rather than reporting for each Illinois Shines project separately) and for this report covers the period from June 1, 2022 through May 31, 2023. Employment information was reported for two categories: direct (“hiring and employment by the Approved Vendor, e.g., staff on the Approved Vendor’s payroll”) and indirect (“hiring and employment conducted by the Approved Vendor’s Designees, installers, marketing/sales sub- contractors, and other entities with which it works as it relates to the marketing, sale, development, and operation of projects participating in the Adjustable Block Program”). Approved Vendors were instructed to only report only on their Illinois-based workforce.

While the Agency believes that the data reported herein provides a reasonable snapshot of the solar industry in Illinois, the Agency notes several limitations of this data.

- First, this data is self-reported and has not been independently verified.

¹⁰⁶ Approved Vendors are the entities that receive contracts for the delivery of RECs to the utilities in Illinois Shines; Approved Vendors range from vertically integrated marketing, engineering, and installation companies, to aggregators who manage RECs for smaller installers, to special purpose entities created for the development and financing of individual solar projects.

¹⁰⁷ See 2022 Long-Term Plan at 218. Note that the 2024 Long-Term Plan currently pending before the Illinois Commerce Commission includes a provision to shift this reporting to the compliance report for the Minimum Equity Standard.

¹⁰⁸ See: <https://illinoisabp.com/wp-content/uploads/2020/07/Job-Training-Report-Requirements-7-30-20.pdf>.

- Second, due to the varied nature of the business models within the solar industry, what may be a direct job function for one entity might be an indirect job function for another entity (e.g., if sales and marketing are conducted in-house or outsourced, or if an Approved Vendor conducts installations itself, or subcontracts that work).
- Third, some Approved Vendors, notably those serving as aggregators who manage REC contracts and delivery obligations for smaller solar firms, have reported that it was difficult to collect data from all of the entities with which they worked. In such cases, indirect hiring may be underreported.
- Fourth, some Approved Vendors may have REC delivery contracts for projects which had not yet commenced construction during the reporting period. Alternatively, for many projects (particularly community solar projects), some project development activities would have also occurred before the reporting period.

The following tables contain the aggregated information collected from Approved Vendors in July 2023 for the reporting period June 1, 2022 through May 31, 2023.

Table 12-5: Workforce Diversity

	Direct (FTE ¹⁰⁹)	Indirect (FTE)	Total (FTE)	Direct (%)	Indirect (%)	Total (%)
Race						
Black or African-American	439	203	642	8.7%	6.3%	7.8%
Hispanic or Latinx	643	598	1241	12.7%	18.6%	15.0%
Asian	260	54	314	5.1%	1.7%	3.8%
American Indian or Alaska Native	13	14	27	0.3%	0.4%	0.3%
Native Hawaiian or Other Pacific Islander	8	21	29	0.2%	0.7%	0.4%
Total ¹¹⁰	1,363	890	2,253	27%	28%	27%
Two or more races	174	92	266	3.4%	16.5%	4.7%
Gender						
Female	1,593	567	2,160	28.4%	17.3%	24.3%
Non-Binary	2	17	19	0.0%	0.5%	0.2%
Disabled	9	38	47	5.0%	1.5%	1.7%

¹⁰⁹ FTE: Full-Time Equivalent.

¹¹⁰ Some respondents may have identified more than one race and therefore some numbers may overlap.

Table 12-6: Job Training Graduate Hiring

Program	Direct	Direct	Direct	Indirect	Indirect	Indirect
	Full Time	Part Time	Temp.	Full Time	Part Time	Temp.
Solar Training Pipeline Program	67	10	5	89	16	6
Craft Apprenticeship Program	252	3	0	300	8	1
Multi-Cultural Jobs Programs	19	4	1	11	2	1
Total	338	17	6	400	26	8

These next tables show the year-over-year Workforce Diversity and Job Training Graduate Hiring data collected from Approved Vendors from 2020-2023. The Agency is encouraged that after a decrease in levels in the 2021 reporting, there has been increasing diversity since then.

Table 12-7: Workforce Diversity 2020-2023 (FTE)

Direct										
Year	Black or African American	Hispanic or Latinx	Asian	American Indian or Alaskan Native	Native Hawaiian or Other Pacific Islander	Two or More Races	Not Disclosed	Female	Non-Binary	Disabled
2023	439	643	260	13	8	174	570	1,593	2	9
2022	185	272	57	12	2	60	N/A	812	2	4
2021	125	312	43	12	14	51	N/A	393	10	9
2020	191	230	47	4	9	28	N/A	270	2	6
Indirect										
2023	203	598	54	14	21	92	477	567	17	38
2022	171	280	55	14	5	40	N/A	414	12	4
2021	279	571	54	9	2	89	N/A	416	0	6
2020	345	693	31	6	11	134	N/A	351	3	8

Some respondents may have identified more than one race rather than utilizing “Two or More Races”, so some numbers may overlap.

Table 12-8: Workforce Diversity 2020-2023 (Percent)

Direct										
Year	Black or African American	Hispanic or Latinx	Asian	American Indian or Alaskan Native	Native Hawaiian or Other Pacific Islander	Two or More Races	Not Disclosed	Female	Non-Binary	Disabled
2023	8.7%	12.7%	5.1%	0.3%	0.2%	3.4%	11.3%	28.4%	0.0%	5.0%
2022	6.4%	9.5%	2.0%	0.4%	0.1%	2.1%	N/A	21.5%	0.5%	0.5%
2021	4.0%	10.1%	1.4%	0.4%	0.5%	1.6%	N/A	21.5%	0.5%	0.5%
2020	10.5%	12.6%	2.6%	0.2%	0.5%	1.5%	N/A	14.8%	0.1%	0.3%
Indirect										
2023	6.3%	18.6%	1.7%	0.4%	0.7%	16.5%	85.3%	17.3%	0.5%	1.5%
2022	4.9%	8.0%	1.6%	0.4%	0.1%	1.1%	N/A	15.1%	0.0%	0.2%
2021	7.0%	14.4%	1.4%	0.2%	0.1%	2.2%	N/A	15.1%	0.0%	0.2%
2020	12.5%	25.1%	1.1%	0.2%	0.4%	4.8%	N/A	12.7%	0.1%	0.3%
Some respondents may have identified more than one race rather than utilizing “Two or More Races”, so some numbers may overlap.										

Table 12-9: Job Training Graduate Hiring 2020-2023 (FTE)

Direct												
	Solar Training Pipeline Program			Craft Apprenticeship Program			Multi-Cultural Jobs Program			Other		
Year	Full Time	Part Time	Temp	Full Time	Part Time	Temp	Full Time	Part Time	Temp	Full Time	Part Time	Temp
2023	67	10	5	252	3	0	19	4	1	N/A	N/A	N/A
2022	51	2	0	209	0	0	4	0	0	N/A	N/A	N/A
2021	30	2	14	480	0	0	10	0	10	0	0	0
2020	31	3	9	3	1	0	11	0	10	0	0	0
Indirect												
	Solar Training Pipeline Program			Craft Apprenticeship Program			Multi-Cultural Jobs Program			Other		
Year	Full Time	Part Time	Temp	Full Time	Part Time	Temp	Full Time	Part Time	Temp	Full Time	Part Time	Temp
2023	89	16	6	300	8	1	11	2	1	N/A	N/A	N/A
2022	41	6	2	279	4	4	9	1	1	N/A	N/A	N/A
2021	199	2	52	937	7	36	23	10	25	6	28	5
2020	150	16	123	91	6	85	31	11	0	42	3	0
"Other" includes internal training programs and IBEW apprenticeships.												

Table 12-10: Job Training Graduate Hiring 2020-2023 (Percent)

Direct												
	Solar Training Pipeline Program			Craft Apprenticeship Program			Multi-Cultural Jobs Program			Other		
Year	Full Time	Part Time	Temp	Full Time	Part Time	Temp	Full Time	Part Time	Temp	Full Time	Part Time	Temp
2023	1.3%	0.2%	0.1%	5.0%	0.1%	0.0%	0.4%	0.1%	0.0%	N/A	N/A	N/A
2022	1.8%	0.1%	0.0%	7.2%	0.0%	0.0%	0.1%	0.0%	0.0%	N/A	N/A	N/A
2021	1.0%	0.1%	0.4%	15.4%	0.0%	0.0%	0.3%	0.0%	0.3%	0.0%	0.0%	0.0%
2020	1.7%	0.2%	0.5%	0.2%	0.1%	0.0%	0.6%	0.0%	0.5%	0.0%	0.0%	0.0%
Indirect												
	Solar Training Pipeline Program			Craft Apprenticeship Program			Multi-Cultural Jobs Program			Other		
Year	Full Time	Part Time	Temp	Full Time	Part Time	Temp	Full Time	Part Time	Temp	Full Time	Part Time	Temp
2023	2.8%	0.5%	0.2%	9.3%	0.2%	0.0%	0.3%	0.1%	0.0%	N/A	N/A	N/A
2022	1.2%	0.2%	0.1%	8.0%	0.1%	0.1%	0.3%	0.0%	0.0%	N/A	N/A	N/A
2021	5.0%	0.1%	1.3%	23.5%	0.2%	0.9%	0.6%	0.3%	0.6%	0.2%	0.7%	0.1%
2020	5.4%	0.6%	4.5%	3.3%	0.2%	3.1%	1.1%	0.4%	0.0%	1.5%	0.1%	0.0%
<p>“Other” includes internal training programs and IBEW apprenticeships.</p> <p>Percentages of job training graduates was not directly collected from Approved Vendors and are imputed from the workforce diversity data.</p>												

(13) Rate Impacts on Eligible Retail Customers

“An analysis of the rate impacts associated with the Illinois Power Agency’s procurement of renewable resources, including, but not limited to, any long-term contracts, on the eligible retail customers of electric utilities. The analysis shall include the Agency’s estimate of the total dollar impact that the Agency’s procurement of renewable resources has had on the annual electricity bills of the customer classes that comprise each eligible retail customer class taking service from an electric utility.”¹¹¹

This section of the report estimates bill impacts determined by analysis of the load of each eligible customer class, numbers of customers, and bill estimates contained in publicly available utility tariff and rate case filings. In determining total bill impact, this section of the report includes the same costs included in the statutory RPS spending cap: “the total amount paid for electric service [which] includes without limitation amounts paid for supply, transmission, distribution, surcharges, and add-on taxes.” The bill impacts are presented both as a percentage of an average customer bill for that class and as cents per kilowatt-hour.

This section provides the rate impact attributed to the Agency’s procurement of renewable resources. When multiplied by the overall billing determinants, these values also provide the total dollar impact on the annual electricity bills of each customer class. Results for each electric utility and corresponding customer class are presented for ComEd in Table 13-1 and Table 13-2, for Ameren Illinois in Table 13-3 and Table 13-4, and for MidAmerican in Table 13-5 and Table 13-6.¹¹²

¹¹¹ 20 ILCS 3855/1-125(13).

¹¹² ComEd, Ameren Illinois, and MidAmerican provided the information in these tables in response to the IPA’s data requests issued November 7, 2023.

ComEd

Table 13-1: Rate Impact for Customers Taking Supply from ComEd¹¹³

Customer Class	Description	2022-2023 Delivery Year
Single Family No Electric Space Heat	Revenue/kWh	\$0.1591
	REC/kWh	\$0.00502
	Ratio (REC/Revenue) ¹¹⁴	3.16%
Multi Family No Electric Space Heat	Revenue/kWh	\$0.1648
	REC/kWh	\$0.00502
	Ratio (REC/Revenue)	3.05%
Single Family With Electric Space Heat	Revenue/kWh	\$0.1249
	REC/kWh	\$0.00502
	Ratio (REC/Revenue)	4.02%
Multi Family With Electric Space Heat	Revenue/kWh	\$0.1335
	REC/kWh	\$0.00502
	Ratio (REC/Revenue)	3.76%
Watt-hour	Revenue/kWh	\$0.1709
	REC/kWh	\$0.00502
	Ratio (REC/Revenue)	2.94%
Small Load (< 100 kW)	Revenue/kWh	\$0.1267
	REC/kWh	\$0.00502
	Ratio (REC/Revenue)	3.96%

¹¹³ Overall bill (e.g. Revenue/kWh) includes fixed supply charges, RTO services charges, delivery services charges (customer charge, standard metering service charges, distribution facilities charges, and Illinois Electricity Distribution Tax charge), other environmental cost recovery and energy efficiency & demand adjustments, franchise cost additions, and municipal and state taxes. The REC/kWh value is equal to the cost of renewable resources in the delivery year, divided by the sum of the actual load of eligible retail customers.

¹¹⁴ This value represents the amount that RECs cost each customer of that delivery year class as a percentage of the amount paid for total “annual electricity bills,” including taxes. Thus, a Rate Impact of 3.16% (Single Family No Electric Space Heat) means that 3.16% of the total electricity bill of a customer of that class in the 2022-2023 delivery year was spent on contracts for renewable energy resources.

Table 13-2: Dollar Impact for Customers Taking Supply from ComEd¹¹⁵

Customer Class	Description	2022-2023 Delivery Year
Single Family No Electric Space Heat	Usage (kWh)	15,520,736,322
	Dollar Impact	\$77,914,096
Multi Family No Electric Space Heat	Usage (kWh)	4,052,942,009
	Dollar Impact	\$20,345,769
Single Family With Electric Space Heat	Usage (kWh)	404,550,235
	Dollar Impact	\$2,030,842
Multi Family With Electric Space Heat	Usage (kWh)	1,146,928,095
	Dollar Impact	\$5,757,579
Watt-hour	Usage (kWh)	168,732,285
	Dollar Impact	\$847,036
Small Load (< 100 kW)	Usage (kWh)	4,511,782,926
	Dollar Impact	\$22,649,150

¹¹⁵ Usage values were reported by ComEd. Dollar Impact values were calculated by multiplying the Usage by the REC/kWh reported in Table 9.

Ameren Illinois

Table 13-3: Rate Impact for Customers Taking Supply from Ameren Illinois¹¹⁶

Customer Class	Description	2022-2023 Delivery Year
Residential Service (DS-1)	Revenue/kWh	\$0.176
	REC/kWh	\$0.004580
	Ratio (REC/Revenue) ¹¹⁷	2.60%
Small General Service (DS-2)	Revenue/kWh	\$0.185
	REC/kWh	\$0.004580
	Ratio (REC/Revenue)	2.48%
General Service & Large General Service (DS-3 and DS-4) ¹¹⁸	Revenue/kWh	\$0.112
	REC/kWh	\$0.004580
	Ratio (REC/Revenue)	4.08%

¹¹⁶ Overall bill (e.g., Revenue/kWh) includes fixed supply charges, RTO services charges, delivery services charges (customer charge, standard metering service charges, distribution facilities charges, and Illinois Electricity Distribution Tax charge), other environmental cost recovery and energy efficiency & demand adjustments, franchise cost additions, and municipal and state taxes. The REC/kWh value is equal to the cost of renewable resources in the delivery year, divided by the sum of the actual load of eligible retail customers.

¹¹⁷ This value represents the amount that RECs cost each customer of that delivery year class as a percentage of the amount paid for total “annual electricity bills,” including taxes. Thus, a Rate Impact of 2.60% (Residential Service) means that 2.60% of the total electricity bill of a customer of that class in the 2022-2023 delivery year was spent on contracts for renewable energy resources.

¹¹⁸ General Service & Large General Service (DS-3 and DS-4) have been declared fully competitive and therefore these classes can no longer take supply from Ameren Illinois fixed price (Rider BGS). Therefore, calculations represent only the load of customers taking supply from Ameren Illinois real time price supply applicable to larger customers (Rider HSS). The REC/kWh value is as described in the footnote above except it only applies to customers and load on Rider HSS.

Table 13-4: Dollar Impact for Customers Taking Supply from Ameren Illinois¹¹⁹

Customer Class	Description	2022-2023 Delivery Year
Residential Service (DS-1)	Usage (kWh)	6,694,677,818
	Dollar Impact	\$30,661,624
Small General Service (DS-2)	Usage (kWh)	1,986,066,025
	Dollar Impact	\$9,096,182
General Service & Large General Service (DS-3 and DS-4) ¹²⁰	Usage (kWh)	1,440,158,635
	Dollar Impact	\$6,595,927

¹¹⁹ Usage values were reported by Ameren Illinois. Dollar Impact values were calculated by multiplying the Usage by the REC/kWh reported in Table 11.

¹²⁰ General Service & Large General Service (DS-3 and DS-4) have been declared fully competitive and therefore these classes can no longer take supply from Ameren Illinois fixed price (Rider BGS). Therefore, calculations represent only the load of customers taking supply from Ameren Illinois real time price supply applicable to larger customers (Rider HSS).

Table 13-5: Rate Impact for Customers Taking Supply from MidAmerican¹²¹

Customer Class	Description	2022-2023 Delivery Year
Residential	Revenue/kWh	\$0.10434
	REC/kWh	\$0.00248
	Ratio (REC/Revenue) ¹²²	2.38%
Commercial	Revenue/kWh	\$0.08312
	REC/kWh	\$0.00248
	Ratio (REC/Revenue)	2.98%
Industrial	Revenue/kWh	\$0.05348
	REC/kWh	\$0.00248
	Ratio (REC/Revenue)	4.64%
Public Authority	Revenue/kWh	\$0.06999
	REC/kWh	\$0.00248
	Ratio (REC/Revenue)	3.54%
Street Lighting	Revenue/kWh	\$0.15101
	REC/kWh	\$0.00248
	Ratio (REC/Revenue)	1.64%

¹²¹ Overall bill (e.g., Revenue/kWh) includes fixed supply charges, RTO services charges, delivery services charges (customer charge, standard metering service charges, distribution facilities charges, and Illinois Electricity Distribution Tax charge), other environmental cost recovery and energy efficiency & demand adjustments, franchise cost additions, and municipal and state taxes. The REC/kWh value is equal to the cost of renewable resources in the delivery year, divided by the sum of the actual load of eligible retail customers.

¹²² This value represents the amount that RECs cost each customer of that delivery year class as a percentage of the amount paid for total “annual electricity bills,” including taxes. Thus, a Rate Impact of 2.38% (Residential) means that 2.38% of the total electricity bill of a customer of that class in the 2022-2023 delivery year was spent on contracts for renewable energy resources.

Table 13-6: Dollar Impact for Customers Taking Supply from MidAmerican¹²³

Customer Class	Description	2022-2023 Delivery Year
Residential	Usage (kWh)	638,833,555
	Dollar Impact	\$1,584,307
Commercial	Usage (kWh)	425,324,810
	Dollar Impact	\$1,054,806
Industrial	Usage (kWh)	703,374,847
	Dollar Impact	\$1,744,370
Public Authority	Usage (kWh)	142,062,427
	Dollar Impact	\$352,315
Street Lighting	Usage (kWh)	6,220,532
	Dollar Impact	\$15,427

¹²³ Usage values were reported by MidAmerican. Dollar Impact values were calculated by multiplying the Usage by the REC/kWh reported in Table 13.

(14) (Blank)

(15) Renewable Energy Generation in Illinois

20 ILCS 3855/1-125(b) requires that in addition to reporting on the transactions and operations of the Agency as included in Sections (11)-(13) above, the Agency shall also endeavor to report on the following items through its annual report, recognizing that full and accurate information may not be available for certain items:

- (1) The overall nameplate capacity amount of installed and scheduled renewable energy generation capacity physically located in Illinois.
- (2) The percentage of installed and scheduled renewable energy generation capacity as a share of overall electricity generation capacity physically located in Illinois.
- (3) The amount of megawatt hours produced by renewable energy generation capacity physically located in Illinois for the preceding delivery year.
- (4) The percentage of megawatt hours produced by renewable energy generation capacity physically located in Illinois as a share of overall electricity generation from facilities physically located in Illinois for the preceding delivery year.
- (5) The renewable portfolio standard expenditures made pursuant to paragraph (1) of subsection (c) of Section 1-75 and the total scheduled and installed renewable generation capacity expected to result from these investments. This information shall include the total cost of REC delivery contracts of the renewable portfolio standard by project category, including, but not limited to, renewable energy credits delivery contracts entered into pursuant to subparagraphs (C), (G), (K), and (R) of paragraph (1) of subsection (c) Section 1-75. The Agency shall also report on the total amount of customer load featuring renewable portfolio standard compliance obligations scheduled to be met by self-direct customers pursuant to subparagraph (R) of paragraph (1) of subsection (c) of Section 1-75, as well as the minimum annual quantities of renewable energy credits scheduled to be retired by those customers and amount of installed renewable energy generating capacity used to meet the requirements of subparagraph (R) of paragraph (1) of subsection (c) of Section 1-75.

(1) The overall nameplate capacity amount of installed and scheduled renewable energy generation capacity physically located in Illinois.

Installed Generation

Table 15-1 shows the overall nameplate capacity of installed renewable energy generation capacity physically located in Illinois, provided by the Energy Information Administration (EIA).

Table 15-1: Installed Renewable Generation Capacity in Illinois

Technology	Installed Capacity (MW)
Conventional Hydroelectric	32.9
Biomass	55.8
Onshore Wind Turbine	7,603.2
Solar Photovoltaic	2,193.0
Total	9,884.9

Source: EIA Electric Power Monthly, November 2023¹²⁴

Of the installed capacity, for wind, 2,133 MW (28% of total) represents projects supported by IPA procurements, while for solar, 2,152 MW (98% of total) represents projects supported by IPA programs and procurements.

Scheduled Generation

The IPA reviewed the estimates of scheduled renewable energy generation capacity additions for Illinois, provided by the EIA, PJM, and MISO. The information provided by PJM and MISO is contained in the RTOs' interconnection queues. The information provided by the EIA is contained in the Electric Power Monthly.

Table 15-2 shows the scheduled renewable energy generation capacity as provided by the EIA and Table 15-3 shows the estimate provided by PJM and MISO in their interconnection queues.

¹²⁴ U.S. Energy Information Administration, Electric Power Monthly, November 2023, https://www.eia.gov/electricity/monthly/current_month/january2024.zip

Table 15-2: Scheduled Renewable Generation Capacity in Illinois – EIA Estimate

IL Total per EIA	Scheduled Renewable Generation Capacity in IL (MW)				
	2024	2025	2026	2027	2028
Solar	394	795		990	500
Wind	257	800	205	135	
Hydro		10			
Yearly Total	651	1,605	205	1,125	500
Grand Total	4,086				

Source: EIA Electric Power Monthly, November 2023

Table 15-3: Scheduled Renewable Generation Capacity in Illinois – PJM and MISO Estimate

IL Total per PJM and MISO	Scheduled Renewable Generation Capacity in IL (MW)				
	2024	2025	2026	2027	2028
Solar	5,263	10,026	11,194	4,524	968
Wind	4,619	3,146	3,402	3,150	350
Yearly Total	9,882	13,173	14,596	7,674	1,318
Grand Total	46,643				

Source: PJM and MISO Interconnection Queues^{125,126}

As shown in Table 15-2 and Table 15-3, the estimates provided by the EIA, PJM, and MISO provide a wide range for the scheduled renewable generation capacity in Illinois. The EIA estimates that up to 4,121 MW could be built by 2028 while the interconnection queues in PJM and MISO estimate up to 46,643 MW by 2028. Based on these estimates, the range of scheduled renewable generation capacity is 4,121 MW to 46,643 MW by 2028. Projects currently under contract through IPA programs and procurements that are under development include 700 MW of wind and 3,095 MW of solar (however, 1,239 MW of that solar is distributed generation or community solar, and would not be reflected in the PJM and MISO interconnection queues).

¹²⁵ The PJM Interconnection Queue can be found at: <https://pjm.com/planning/service-requests/services-request-status>

¹²⁶ The MISO Interconnection Queue can be found at: https://www.misoenergy.org/planning/generator-interconnection/GI_Queue/gi-interactive-queue/#

Projecting how much of that capacity in the interconnection queues of MISO and PJM will actually go into service carries a very high level of uncertainty. While MISO does not publish statistics on the progress of queue positions through the interconnection queue, in particular how much of the total capacity that started the queue process actually went into service, PJM reports that only 25% of the capacity that started the interconnection process ends up signing a generator interconnection agreement (“GIA”), and only 14% actually goes into service.¹²⁷ Interconnection projects drop out of the queue, and fail to go into service, for a variety of reasons including, but not limited to, delays in queue processing resulting in higher than anticipated interconnection costs. On November 29, 2022, FERC issued an Order accepting PJM’s filing of a comprehensive reform of the PJM interconnection process designed to more efficiently and timely process new interconnection service requests by transitioning from a serial first-come, first-served queue process to a first-ready, first-served clustered style approach.¹²⁸ The new interconnection process will most likely help PJM to clear their interconnection queue backlog and may have an impact on the number of projects dropping out of the queue.

The resource adequacy survey conducted jointly between the Organization of MISO States and MISO (“OMS-MISO Survey”) looked into the treatment of new planning resources that are in the queue in particular the amount of capacity that must be credited to a resource based on its progress through the queue. Stakeholders recommended that a weight be applied to a resource’s capacity to reflect its progress through the MISO interconnection queue, based on its study phase.¹²⁹ For the 2023 OMS-MISO survey, the following weights were applied to new planning resources.¹³⁰

¹²⁷ See <https://www.pjm.com/-/media/committees-groups/committees/pc/2020/20200512/20200512-pc-info-only-pjm-queue-status-update.ashx>

¹²⁸ FERC Order Accepting Tariff Revisions Subject to Condition - Docket No. ER22-2110-000; ER22-2110-001; Issued November 29, 2022

¹²⁹ MISO’s interconnection process has three study phases. Under Phase 1 a preliminary system impact study is conducted. Under Phase 2 a revised system impact study and an initial Facilities study are conducted. Under Phase 3 a final system impact study and a final facilities study are conducted. After the three study phases an interconnection customer can proceed to the signing of a GIA, followed by construction.

¹³⁰ See

<https://cdn.misoenergy.org/20230714%20OMS%20MISO%20Survey%20Results%20Presentation629607.pdf>

- Not Started / Phase 1 = 10%
- Phase 2 = 75% for non-intermittent resources; 50% for Intermittent resources
- Phase 3 / GIA in Progress = 90%

Thus, in MISO if a resource has not yet started the study phase, or is in Phase 1, a 10% weight is applied to the resource’s capacity. Consequently, if a resource’s capacity is 100 MW, the resource will only be credited with 10 MW.

If PJM’s 14% probability of in-service was applied to the scheduled renewable generation capacity in the PJM interconnection queue, and the MISO weights were applied to the scheduled renewable generation capacity in the MISO queue, the 46,643 MW in Table 15-3 would result in a much lower number more in line with the EIA estimates.

(2) The percentage of installed and scheduled renewable energy generation capacity as a share of overall electricity generation capacity physically located in Illinois.

Table 15-4 shows the percentage of installed renewable generation capacity as a share of total installed generation capacity physically located in Illinois.

Table 15-4: Percentage of Installed Renewable Generation Capacity

Percentage of Installed Renewable Generation Capacity		
Total Installed Capacity (MW)	Installed Renewable Capacity (MW)	% of Installed Renewable Capacity
46,120	9,885	21%

Source: EIA Electric Power Monthly, October 2023

Table 15-5 shows the percentage of scheduled renewable generation capacity as a share of total installed capacity, as estimated by the EIA. Table 15-6 shows the percentage of scheduled renewable generation capacity as a share of total installed capacity, as estimated by PJM and MISO.

Table 15-5: Percentage of Scheduled Renewable Generation Capacity (Per EIA)

Percentage of Scheduled Renewable Generation Capacity through 2028 (Per EIA)		
Total Installed Capacity (MW)	Scheduled Renewable Capacity (MW)	% of Scheduled Renewable Capacity
46,120	4,086	9%

Source: EIA Electric Power Monthly, November 2023

Table 15-6: Percentage of Scheduled Renewable Generation Capacity (Per PJM and MISO)

Percentage of Scheduled Renewable Generation Capacity through 2028 (Per PJM and MISO)		
Total Installed Capacity (MW)	Scheduled Renewable Capacity (MW)	% of Scheduled Renewable Capacity
46,120	46,642	101%

Source: PJM and MISO Interconnection Queues

Based on the estimates by the EIA, PJM, and MISO presented in Table 15-5 and Table 15-6, the range for the percentage of scheduled renewable generation capacity as a share of total installed generation capacity physically located in Illinois is 9% – 101% by 2028, although as discussed above, the estimate based on PJM and MISO interconnection is likely too high.

(3) The amount of megawatt hours produced by renewable energy generation capacity physically located in Illinois for the preceding delivery year.

Table 15-7 shows the amount of MWh produced by renewable generation capacity physically located in Illinois for the 2022-2023 Delivery Year.

Table 15-7: MWh Produced by Renewable Generation Capacity

Technology	MWh Produced in 2022-2023
Hydro	105,470
Landfill Gas	253,646
Wind	22,398,796
Solar	1,775,238
Total	24,533,150

Source: EIA Form 923, November 2023¹³¹

¹³¹ U.S. Energy Information Administration, Form 923, November 2023,

https://www.eia.gov/electricity/data/eia923/xls/f923_2023.zip

(4) The percentage of megawatt hours produced by renewable energy generation capacity physically located in Illinois as a share of overall electricity generation from facilities physically located in Illinois for the preceding delivery year.

Table 15-8 shows the percentage of MWh produced by renewable generation capacity as a share of the overall MWh produced from facilities located in Illinois for the 2022-2023 Delivery Year.

Table 15-8: Percentage of MWh Produced by Renewable Generation Capacity

Percentage of Energy Generated by Renewable Generation Capacity in 2022-2023		
Total Energy Generated (MWh)	Energy Generated by Renewable Capacity (MWh)	% of Energy Generated by Renewable Capacity
178,266,688	24,533,150	13.8%

Source: EIA Form 923, November 2023

(5) The renewable portfolio standard expenditures made pursuant to paragraph (1) of subsection (c) of Section 1-75 and the total scheduled and installed renewable generation capacity expected to result from these investments. This information shall include the total cost of REC delivery contracts of the renewable portfolio standard by project category, including, but not limited to, renewable energy credits delivery contracts entered into pursuant to subparagraphs (C), (G), (K), and (R) of paragraph (1) of subsection (c) Section 1-75. The Agency shall also report on the total amount of customer load featuring renewable portfolio standard compliance obligations scheduled to be met by self-direct customers pursuant to subparagraph (R) of paragraph (1) of subsection (c) of Section 1-75, as well as the minimum annual quantities of renewable energy credits scheduled to be retired by those customers and amount of installed renewable energy generating capacity used to meet the requirements of subparagraph (R) of paragraph (1) of subsection (c) of Section 1-75.

Tables 15-9 through 15-11 show the annualized renewable portfolio standard contract values, expenditures, and associated renewable generation capacity for Ameren, ComEd, and MidAmerican respectively.^{132, 133,134}

¹³² Ameren Illinois, ComEd, and MidAmerican provided the information in these tables in response to the IPA’s data requests issued November 7, 2023.

¹³³ The contract values reported are not for the full contract value but represent the value for the given delivery year. For example, for a 15 year or 20 year contract, only 1/15th or 1/20th of the contact value is reported.

¹³⁴ Quantities related to subparagraph (R) are reported in ranges to protect the confidentiality of participating self-direct customer information. For more information see:

Table 15-9: Ameren RPS Expenditures and Associated Generation Capacity

	2022-2023 Delivery Year
REC Contract Values by Type (\$) ¹³⁵	\$46,076,139
Adjustable Block Program	\$34,607,086
Utility-Scale	\$6,627,053
LTPPAs	\$4,842,000
REC Expenditures by Type (\$) ¹³⁶	\$72,132,318
Adjustable Block Program	\$62,571,036
Utility-Scale	\$4,719,282
LTPPAs	\$4,842,000
REC Delivery Contracts (MWh)	2,373,718
Adjustable Block Program	582,585
Utility-Scale	1,191,133
LTPPAs	600,000
Installed Generation Capacity from REC Contracts (MW)	1,075
Scheduled Generation Capacity from REC Contracts (MW)	505
The Total Amount of Customer Load featuring Renewable Portfolio Standard Compliance Obligations Scheduled to be met by Self-Direct Customers (MWH)	50,000-100,000
The Total Amount of Customer Load featuring Renewable Portfolio Standard Compliance Obligations Scheduled to be met by Self-Direct Customers (MW)	5-10

<https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/42023/self-direct-participant-announcement-41923.pdf>

¹³⁵ REC Contract Values means the contract amounts that were entered into for the 2022-2023 Delivery Year.

¹³⁶ REC Expenditures means the amounts that were actually paid out during the 2022-2023 Delivery Year.

Table 15-10: ComEd RPS Expenditures and Associated Generation Capacity

	2022-2023 Delivery Year
REC Contract Values by Type (\$)	\$122,055,423
Adjustable Block Program	\$88,940,839
Utility-Scale	\$15,893,279
LTPPAs	\$17,221,305
REC Expenditures by Type (\$)	\$208,077,655
Adjustable Block Program	\$181,957,838
Utility-Scale	\$12,578,960
LTPPAs	\$13,540,857
REC Delivery Contracts (MWh)	5,553,181
Adjustable Block Program	1,434,843
Utility-Scale	2,856,613
LTPPAs	1,261,725
Installed Generation Capacity from REC Contracts (MW)	1,774
Scheduled Generation Capacity from REC Contracts (MW)	1,245
The Total Amount of Customer Load featuring Renewable Portfolio Standard Compliance Obligations Scheduled to be met by Self-Direct Customers (MWh)	200,000-300,000
The Total Amount of Customer Load featuring Renewable Portfolio Standard Compliance Obligations Scheduled to be met by Self-Direct Customers (MW)	90-120

Table 15-11: MidAmerican RPS Expenditures and Associated Generation Capacity

	2022-2023 Delivery Year
REC Contract Values by Type (\$)	\$556,583
Adjustable Block Program	\$347,125
Utility-Scale	\$209,459
REC Expenditures by Type (\$)	\$796,593
Adjustable Block Program	\$746,119
Utility-Scale	\$50,473
REC Delivery Contracts (MWh)	12,313
Adjustable Block Program	2,786
Utility-Scale	9,527
Installed Generation Capacity from REC Contracts (MW)	3
Scheduled Generation Capacity from REC Contracts (MW)	5

Alternative Compliance Payment Mechanism Fund Report

“[T]he Illinois Power Agency shall submit an annual report to the General Assembly, the Commission, and alternative retail electric suppliers that shall include ...”

- (A) the total amount of alternative compliance payments received in aggregate from alternative retail electric suppliers by planning year for all previous planning years in which the alternative compliance payment was in effect;***
- (B) the total amount of those payments utilized to purchased [sic] renewable energy credits itemized by the date of each procurement in which the payments were utilized; and***
- (C) the unused and remaining balance in the Agency Renewable Energy Resources Fund attributable to those payments.”¹³⁷***

For the delivery year ending May 31, 2017, to the extent an ARES complied with its RPS obligations by procuring renewable energy resources, at least 60% of the renewable energy resources procured by that ARES was required to come from wind generation, while at least 6% of the renewable energy resources procured was required to come from solar PV.¹³⁸ If an ARES did not purchase at least the technology-specific sub-target levels of wind or photovoltaic renewable energy resources, then it was required to make additional ACPs at the same rate to meet those obligations. For the delivery years beginning on June 1, 2017 and June 1, 2018, 32% of the renewable energy resources procured by an ARES had to come from either wind or photovoltaics and cannot come from facilities that had their costs recovered through rates regulated by a state. For deliveries years starting June 1, 2019, ARES no longer had RPS obligations.

Up until June 1, 2017, all ACPs were deposited into the Renewable Energy Resources Fund (“RERF”), a state fund administered by the Agency to procure renewable energy resources through the purchase and retirement of RECs.¹³⁹ As of June 1, 2017, changes to Section 16-115D(d)(4.5) of the Public Utilities Act contained in Public Act 99-0906 required ACPs to be remitted to the utilities and used to support the procurement of renewable resources for the utilities by the IPA under Section 1-75(c) of the IPA Act.

¹³⁷ 220 ILCS 5/16-115D(d)(4).

¹³⁸ 220 ILCS 5/16-115D(a)(3) (the 60% statutory wind energy minimum for ARES is lower than the 75% wind standard for utilities).

¹³⁹ 20 ILCS 3855/1-56.

A. Total Amount of ACPs Received

This report must provide the total amount of ACPs received in aggregate from ARES for each delivery year in which the ACP was in effect.¹⁴⁰ Under the PUA, a delivery year begins on June 1st of each calendar year.¹⁴¹ The ACP mechanism was “in effect” by September 1, 2010 to require payments by ARES for the period of June 1, 2009 to May 1, 2010.¹⁴² Therefore, this report provides the aggregate total amount of ACPs for the delivery years 2009-10 through 2017-18. Table 26 shows the total ACPs for each year through 2015-2016 which were collected by the ICC and deposited into the Renewable Energy Resources Fund. Starting with the 2016-2017 delivery year, ACP payments are made to the applicable utility and are reported separately.

Table ACP-1: Total ACPs Received by the RERF¹⁴³

Delivery Year	Total ACPs Received
June 2009 – May 2010	\$7,148,261.61
June 2010 – May 2011	\$5,632,587.18
June 2011 – May 2012	\$2,156,777.61
June 2012 – May 2013	\$38,382,345.57
June 2013 – May 2014	\$77,145,921.09
June 2014 – May 2015	\$86,278,411.02
June 2015 – May 2016	\$71,649,805.76
Aggregate Total	\$288,394,109.84

ARES ACP payments were due by September 1st following the end of the delivery year. For example, for the delivery year that ended in May 2017, payments were due September 1, 2017.¹⁴⁴ Payments are made in conjunction with a Compliance Report submitted to the ICC.

Table ACP-2 shows total the ACPs collected by the utilities from ARES from for the delivery years 2016-2017, 2017-2018 and 2018-2019, the final delivery year. ComEd reported interests earned from their ACP balance in the 2019-2020 delivery year.

¹⁴⁰ 220 ILCS 5/16-115D(d)(4)(A).

¹⁴¹ See e.g. 220 ILCS 5/16-111.5(b).

¹⁴² Pub. Act 96-0033 (eff. 7/10/2009); 220 ILCS 5/16-115D(d)(2).

¹⁴³ Total ACPs Received does not account for expenditures (or other diversions) from the RERF and, therefore, the Aggregate Total reported in this figure will differ from the RERF balance reported in Table 16. Source: internal IPA records reconciled with the ARES reports submitted to the ICC.

¹⁴⁴ 220 ILCS 5/16-115D(d)(2).

Table ACP-2: Total ACPs Collected by the Utilities¹⁴⁵

Delivery Year	ComEd^{146 147}	Ameren Illinois	MidAmerican	Total ACPs
June 2016 – May 2017	\$40,575,311.19	\$23,375,512.09	\$10,532	\$63,961,355.28
June 2017 – May 2018	\$74,147.65	\$76,169.24	\$1,951	\$152,267.89
June 2018 – May 2019	\$228,292.00	\$67,725.00	\$1,073.00	\$ 297,090.00
Aggregate Total	\$42,731,063.07	\$23,519,406.33	\$13,556.00	\$64,410,713.17

The dramatic decrease in the amount of ACP payments collected by the utilities between the first two Delivery Years appears to be the result of the removal of the requirement that an ARES was required to make ACP payments for 50% of its RPS obligations as well as a very low ACP rate for the 2017-2018 delivery year. ARES appear to have complied with their RPS obligations primarily through the purchase and retirement of Renewable Energy Credits rather than making ACP payments.

The combined total of ACPs received by the Renewable Energy Resources Fund and by the utilities since the ACP compliance mechanisms was first instituted is \$354,658,135.24.

B. Amount of ACPs used to purchase RECs

1. Purchases Made

Prior to May 2013, the only disbursements made from the RERF were temporary transfers of funds to the State’s General Revenue Fund pursuant to 30 ILCS 105/5h(a). Of the \$7,148,261.61 in total ACPs received for the 2009-10 delivery year, the State of Illinois transferred \$2,000,000 on September 20, 2010, and \$4,710,000 on October 15, 2010.¹⁴⁸ The remaining \$438,261.61 was not used to purchase RECs and remained in the RERF. The State was required to repay the funds within 18 months of borrowing, and it repaid \$2,000,000 to the RERF in March 2012 and the remaining \$4,710,000 was repaid in April 2012. Because the funds were transferred from a non- interest earning account, no interest was paid.

¹⁴⁵ Source: ACP balances provided to the IPA by the respective utility.

¹⁴⁶ ACP payments are received in the subsequent delivery year. For purposes of this schedule, the payments are reflected in the procurement year it relates to.

¹⁴⁷ Interest is earned monthly. For purposes of this schedule, the amounts include the interest earned during the delivery year.

¹⁴⁸ 30 ILCS 105/5h(a).

In 2013, REC deliveries under the 2010 LTPPAs were curtailed due to application of the RPS budget cap.¹⁴⁹ Pursuant to the 2013 Procurement Plan, holders of those LTPPAs were given the option to sell curtailed RECs to ComEd with the purchases supported by the ACPs collected from customers on hourly pricing, which are distinct from ACPs collected from ARES. Those funds were insufficient to purchase all of the curtailed RECs and the IPA offered to voluntarily use the RERF to purchase remaining curtailed RECs. In May 2013, the IPA entered into contracts to purchase RECs associated with ComEd's curtailed long-term contracts that were not otherwise purchased by ComEd.¹⁵⁰ These purchase contracts were for the delivery year June 1, 2013 through May 31, 2014, and were for up to 121,620 RECs with no minimum delivery levels with a total value of \$2.24 million. Due to improved market prices for RECs elsewhere, not all contract holders exercised their rights to deliver RECs to the IPA. A total of 74,402 RECs were delivered in the June 1, 2013 through May 31, 2014 delivery year under these contracts at a total cost of \$1,719,141.52. There was no direct rate impact resulting from these purchases because they used ACP funds previously collected from ARES. As approved in ICC Docket No. 12-0544, ComEd also used ACP funds to purchase 79,674 RECs curtailed under the operation of LTPPAs in the June 1, 2013 through May 31, 2014 delivery year at a total cost of \$1,647,596.

Effective June 28, 2014, Public Act 98-0672 created new subsection 1-56(i) of the Illinois Power Agency Act requiring the Agency to develop a one-time Supplemental Photovoltaic Procurement plan for the procurement of renewable energy credits from new or existing photovoltaics using up to \$30,000,000 from the RERF. The Supplemental Photovoltaic Procurement Plan was developed by the IPA in 2014 and approved by the ICC on January 21, 2015. Three procurement events were conducted pursuant to the Supplemental Plan (June 2015; November 2015; and March 2016). Table ACP-3 shows the number of RECs contracted for purchase using alternative compliance payments held in the RERF as the result of each procurement event.¹⁵¹

¹⁴⁹ Illinois Power Agency, *2013 Annual Report*, December 1, 2013, at 5. This document, which is available at http://www2.illinois.gov/ipa/Pages/IPA_Reports.aspx#AnnualReports, should not be confused with the *2013 Annual Report on the Costs and Benefits of Renewable Resource Procurement in Illinois*.

¹⁵⁰ Of the eight LTPPA-holders, seven elected to enter into contracts.

¹⁵¹ Source: SPV procurement results, internal IPA records.

Table ACP-3: Supplemental Photovoltaic Procurement RECs and RERF Funds Committed

Procurement Event	RECs Contracted For Purchase	RERF Funds Committed
June 2015	37,082	\$4,999,963
November 2015	70,096	\$9,999,961
March 2016	91,770	\$14,999,894
Total	198,948	\$29,999,818

Table ACP-4 below documents the expenditures for RECs from those procurements as the photovoltaic projects developed pursuant delivered RECs. 1,062 new photovoltaic projects began operation as a result of this procurement process and as of February 15, 2024, have delivered 137,231 RECs under five-year delivery contracts.¹⁵² The final deliveries of RECs from these contracts will occur during 2024.

Public Act 99-0002, effective March 26, 2015, authorized the transfer of \$98,000,000 from the RERF to the State's General Revenue Fund. That transfer occurred on April 1, 2015, and did not include a repayment provision, further increasing the differential between ACPs received and the current RERF balance.

Public Act 99-0524, effective June 30, 2016, included an appropriation of \$12 million from the Renewable Energy Resources Fund for deposit into the Illinois Commerce Commission Public Utility Fund. The transfer occurred on June 23, 2017.

Public Act 100-0023, effective July 6, 2017, authorized transfers from special funds (such as the Renewable Energy Resources Fund) to the State's General Revenue Fund with a two-year deadline for repayment provision. On August 10, 2017, \$150 million was transferred from the Renewable Energy Resources Fund to the General Revenue Fund. In April 2018, \$37.5 million was repaid back to the Renewable Energy Resources Fund from the General Revenue Fund. However, on January 22, 2020, an additional \$10 million was transferred from the Renewable Energy Resources Fund to the General Revenue Fund, and on March 23, 2020, another \$20 million was transferred to the Health Insurance Reserve Fund. Subsequently, \$24 million was repaid between October 2021 through January 2022, and the balance in March of 2022.

¹⁵² Unlike future REC purchases as part of the Illinois Solar for All Program which will feature upfront payments, the Supplemental Photovoltaic Procurement only pays for RECs as they are delivered.

2. Changes in Spending the RERF

Public Act 99-0906, effective June 1, 2017, substantially revamped Section 1-56 of the Illinois Power Agency Act (which governs how the Agency uses the RERF). Other than expenditures previously committed via the Supplemental Photovoltaic Procurement process as described above, the remaining balance of the RERF was shifted to supporting the Illinois Solar for All Program, which is designed to create incentives for and support to the development of photovoltaic resources benefitting low-income households and communities. (Solar for All is also supported by contracts with the utilities in addition to the RERF funds.)

Details of the Illinois Solar for All Program were included in the original Long-Term Renewable Resources Procurement Plan developed by the Agency and approved by the Illinois Commerce Commission in 2018, and subsequently updated in the Revised Long-Term Renewable Resources Procurement Plan approved in 2020, and the 2022 Long-Term Renewable Resources Procurement Plan approved in 2022. See www.illinoisfa.com for more information and details on the program. As of February 15, 2024, REC contracts totaling \$63,715,339.63 have been awarded to Illinois Solar for All projects using funds from the RERF (and an additional \$ \$88,967,165 in contracts funded through utility collections).

Some of the challenges in spending the RERF that have been previously documented are resolved by this change in State law. However, the RERF remains a special State Fund and expenditures from it are only authorized pursuant to the annual appropriations process, and the RERF could be subject to future reallocations of funds to other State purposes if authorized by the General Assembly and Governor.

C. Balance in RERF

As of February 15, 2024, the RERF balance equals \$109,189,895.79. Table ACP-4 shows the current RERF balance and RERF transactions in Fiscal 2023 and to date.¹⁵³ As discussed above, ACP payments from ARES were submitted to the utilities in recent years and were not deposited into the RERF.

¹⁵³ Source: internal IPA records. For prior year transactions, please see prior year Annual Reports available at: <https://ipa.illinois.gov/about-ipa/ipa-publications.html>.

Table ACP-4: IPA RERF Balance Sheet

Date	Transaction	Amount	Cumulative Balance
Summer 2022	REC Payments / SPV Deposit Returns	(\$380,554.15)	\$134,736,085.29
Summer 2022	ILSfA REC Payments	(\$4,985,481.80)	\$129,750,603.49
Summer 2022	ILSfA Expenses	(\$850,911.04)	\$128,899,692.45
Summer 2022	ILSfA Collateral Deposits	(\$46,250.00)	\$128,853,442.45
Fall 2022	REC Payments / SPV Deposit Returns	(\$262,242.89)	\$128,637,449.56
Fall 2022	ILSfA REC Payments	(\$3,132,827.54)	\$125,504,622.02
Fall 2022	ILSfA Expenses	(\$973,015.44)	\$124,531,606.58
Fall 2022	ILSfA Collateral Deposits	(\$46,250.00)	\$124,485,356.58
Winter 2022-2023	REC Payments / SPV Deposit Returns	(\$225,734.50)	\$124,259,622.08
Winter 2022-2023	ILSfA REC Payments	(\$480,919.70)	\$123,778,702.38
Winter 2022-2023	ILSfA Expenses	(\$2,700.00)	\$123,776,002.38
Winter 2022-2023	ILSfA Collateral Deposits	\$298,190.70	\$124,074,193.08
Spring 2023	SPV REC Payments	(\$57,618.00)	124,016,575.08
Spring 2023	ILSfA Expenses	(\$1,584,966.38)	122,431,608.70
Spring 2023	ILSfA Collateral Deposits	\$579,909.55	123,011,518.25
Spring 2023	Settlement Proceeds	\$175,000.00	123,186,518.25
Summer 2023	SPV REC Payments	(\$82,155.00)	123,104,363.25
Summer 2023	ILSfA Expenses	(\$1,808,550.42)	121,295,812.83
Fall 2023	SPV REC Payments	(\$29,647.40)	121,266,165.43
Fall 2023	ILSfA REC Payments	(\$4,013,157.35)	117,253,008.08
Fall 2023	ILSfA Expenses	(\$686,459.89)	116,566,548.19
Winter 2023 - 2024	SPV REC Payments	(\$14,647.25)	116,551,900.94
Winter 2023 - 2024	ILSfA REC Payments	(\$3,812,309.37)	112,739,591.57
Winter 2023 - 2024	ILSfA Expenses	(\$3,532,695.78)	109,206,895.79
Winter 2023 - 2024	ILSfA Expenses	(\$3,500.00)	109,203,395.79
Winter 2023 - 2024	ILSfA Collateral Deposits	(\$13,500.00)	109,189,895.79

Appendix A

Illinois Power Agency

Fiscal Year 2023

Financial Statement and Notes

**State of Illinois
Illinois Power Agency
Individual Nonshared Governmental Funds
Balance Sheet
June 30, 2023**

	Special Revenue		Permanent Trust
	Illinois Power Agency Operations 0425	Illinois Power Agency Renewable Energy Resources 0836	Illinois Power Agency Trust 0424
Assets			
Cash equity in State Treasury	\$ 8,138,787	\$ 122,729,039	\$ 14,633
Investments - Held in the Illinois State Board of Investment Commingled Fund at fair value	-	-	43,925,845
Other receivables, net	11,761,453	-	-
Total assets	\$ 19,900,240	\$ 122,729,039	\$ 43,940,478
Deferred Outflows of Resources (DOR)	-	-	-
Total DOR	-	-	-
Total assets and DOR	\$ 19,900,240	\$ 122,729,039	\$ 43,940,478
Liabilities			
Accounts payable and accrued liabilities	\$ 10,699,054	\$ 1,449,044	\$ -
Bid Deposits	-	3,149,649	-
Total liabilities	10,699,054	4,598,693	-
Deferred Inflows of Resources (DIR)	-	-	-
Total DIR	-	-	-
Fund Balances			
Nonspendable-endowments and similar funds Committed	-	-	43,940,478
Employment and economic development	9,201,186	118,130,346	-
Total fund balances	9,201,186	118,130,346	43,940,478
Total liabilities, DIR, and fund balances	\$ 19,900,240	\$ 122,729,039	\$ 43,940,478

The Accompanying notes to the financial statements are an integral part of this statement.

State of Illinois
Illinois Power Agency
Individual Nonshared Governmental Funds
Statements of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2023

	<u>Special Revenue</u>		<u>Permanent Trust</u>
	<u>Illinois Power Agency Operations 0425</u>	<u>Illinois Power Agency Renewable Energy Resources 0836</u>	<u>Illinois Power Agency Trust 0424</u>
Revenue			
Fees	\$ 29,139,383	\$ -	\$ -
Interest and other investment income	-	-	2,405,916
Other revenues	-	175,000	-
Total revenue	<u>\$ 29,139,383</u>	<u>\$ 175,000</u>	<u>\$ 2,405,916</u>
Expenditures			
Employment and economic development	\$ 26,867,032	\$ 8,645,878	\$ -
Lease principal	96,928	-	-
Lease interest	3,038	-	-
Total expenditures	<u>26,966,998</u>	<u>8,645,878</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,172,385</u>	<u>(8,470,878)</u>	<u>2,405,916</u>
Other financing sources (uses)			
Transfer in from other State fund	4,000,000	-	14,626
Transfer out to other State fund	-	-	(64)
Net other financing sources (uses) resources	<u>4,000,000</u>	<u>-</u>	<u>14,562</u>
Net change in fund balances	6,172,385	(8,470,878)	2,420,478
Fund Balance July 1, 2022	<u>3,028,801</u>	<u>126,601,224</u>	<u>41,520,000</u>
Fund Balance June 30, 2023	<u>\$ 9,201,186</u>	<u>\$ 118,130,346</u>	<u>\$ 43,940,478</u>

The Accompanying notes to the financial statements are an integral part of this statement.

**STATE OF ILLINOIS
ILLINOIS POWER AGENCY**

Individual Nonshared Governmental Funds
Notes to the Financial Statements

June 30, 2023

(1) Organization

The Illinois Power Agency (Agency) is a part of the executive branch of government of the State of Illinois (State) and operates under the authority of and review by the Illinois General Assembly. The Agency actively administers four individual nonshared governmental funds - the Illinois Power Agency Operations Fund, the Illinois Power Agency Trust Fund, the Illinois Power Agency Investment Fund, and the Illinois Power Agency Renewable Energy Resources Fund (collectively, Funds) - described within these Notes to the Financial Statements. A nonshared fund is a fund in which a single agency of the State is responsible for administering substantially all of the financial transactions of the fund. Each of the Funds operate under a budget approved by the Illinois General Assembly in which resources are appropriated for the use of the Agency to meet each one of the Funds specific mission and functions as described within the Illinois Compiled Statutes and the Illinois Administrative Code. All funds appropriated to the Agency from each one of the Funds and all cash received for each one of the Funds are under the custody and control of the State Treasurer.

The Agency, created in Fiscal Year 2008, is dedicated to capturing the benefits of competitive energy markets and facilitating the development of alternative energy technologies for the benefit of Illinois consumers. The Agency meets these objectives by planning and managing competitive procurements and participating in the development of new power generation assets and approaches in Illinois. The Agency is an independent agency subject to the oversight of the Executive Ethics Commission and its activities are subject to the authority of certain departments of the executive and legislative branches of government (such as the Department of Central Management Services (CMS), the Governor's Office of Management and Budget, the State Treasurer's Office, and the State Comptroller's Office) as defined by the Illinois General Assembly.

(2) Summary of Significant Accounting Policies

The financial statements of the Funds have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for governmental funds, as prescribed by the Governmental Accounting Standards Board (GASB). To facilitate user understanding of the Funds financial statements, significant accounting policies are summarized below.

(a) Financial Reporting Entity

As defined by GAAP, the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable.

The financial statements only present the Funds administered by the Agency and do not purport to, and do not, present fairly the financial position of the Agency or the State as of June 30, 2023, nor changes in the Agency or State's financial position for the year ended in conformity with GAAP.

**STATE OF ILLINOIS
ILLINOIS POWER AGENCY**

Individual Nonshared Governmental Funds
Notes to the Financial Statements

June 30, 2023

(2) Summary of Significant Accounting Policies - Continued

(a) Financial Reporting Entity - Continued

The Funds are not legally separate from the State; therefore, the financial information of the Funds is included in the financial statements of the State. The State's Annual Comprehensive Financial Report (ACFR) may be obtained by writing to the State Comptroller's Office, Division of Financial Reporting, 400 W. Monroe St., 3rd floor, Springfield, Illinois, 62704, or accessing its website at www.illinoiscomptroller.gov.

(b) Basis of Presentation

In government, the basic reporting entity is a fund. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, inflows, outflows, and equities, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. A balance sheet and statement of revenues, expenditures, and changes in fund balance have been presented for the Funds administered by the Agency.

The Agency administers the following fund types:

Governmental Fund Type:

Special Revenue:

These funds account for resources obtained from specific revenue sources that are legally restricted or committed to expenditures for specified purposes. Special revenue funds account for, among other things, federal grant programs, taxes levied with statutorily defined distributions, and other resources restricted as to purpose.

Illinois Power Agency Operations Fund - 425

This fund was created as a special fund in the State Treasury. The fund is administered by the Agency for Agency operations as specified in the Illinois Power Agency Act. Funding sources include charges for services through fee reimbursements as provided by the Illinois Power Agency Act, transfers of interest and investment income from the Illinois Power Agency Trust Fund, and Statutory Transfers from other State Funds.

**STATE OF ILLINOIS
ILLINOIS POWER AGENCY**

Individual Nonshared Governmental Funds
Notes to the Financial Statements

June 30, 2023

(2) **Summary of Significant Accounting Policies - Continued**

(b) ***Basis of Presentation - Continued***

Illinois Power Agency Renewable Energy Resources Fund - 836

This fund was created as a special fund in the State Treasury. This fund is administered by the Agency for the procurement of renewable energy resources. This Fund's funding source was Alternative Compliance Payments remitted by Alternative Retail Electric Suppliers to comply with the State's Renewable Portfolio Standard established by the Public Utilities Act.

Permanent:

These funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizens.

Illinois Power Agency Trust Fund - 424

This fund was created as a special fund in the State Treasury. This fund has two distinct purposes:

- 1) This fund may accept, receive, and administer any grants, loans, or other funds made available to it by any source. Any funds received except for interest and investment income shall not be considered income but shall be added to the principal of the Illinois Power Agency Trust Fund. These amounts shall be interfund cash transferred to the Illinois Power Agency Investment Fund to be held for investment by the Illinois State Board of Investment for the purpose of obtaining a total return on investments for the long term as described in the State Finance Act (30 ILCS 105/6z-75).
- 2) This fund may accept cash transfers of investment income from the Illinois Power Agency Investment Fund for interfund cash transfer, subject to appropriations from the Illinois General Assembly, to the Illinois Power Agency Operations Fund as described in the State Finance Act (30 ILCS 105/6z-75).

**STATE OF ILLINOIS
ILLINOIS POWER AGENCY**

Individual Nonshared Governmental Funds
Notes to the Financial Statements

June 30, 2023

(2) **Summary of Significant Accounting Policies - Continued**

(b) ***Basis of Presentation - Continued***

Illinois Power Agency Investment Fund - 1408

This fund was created as a locally held fund held by the Illinois State Board of Investment outside of the State Treasury. Any funds received by the Illinois Power Agency Investment Fund from the Illinois Power Agency Trust Fund shall not be considered income but shall be added to the principal of the Fund. In addition, the Agency may interfund cash transfer, subject to the maximum appropriation for the Illinois Power Agency Trust Fund from the Illinois General Assembly, up to 90% of the annual investment income to the Illinois Power Agency Trust Fund for interfund cash transfer to the Illinois Power Agency Operations Fund. Any investment income not interfund cash transferred to the Illinois Power Agency Trust Fund for interfund cash transfer to the Illinois Power Agency Operations Fund shall not be considered income but shall be added to the principal of the Illinois Power Agency Investment Fund.

The Illinois Power Agency Investment Fund has been collapsed into the Illinois Power Agency Trust Fund for financial reporting purposes.

Funding sources for both permanent funds include interest accumulations deposited by the State Treasurer, investment income received through the Illinois State Board of Investment, and any grants, loans, or other funds made available to it by any source.

(c) ***Measurement Focus and Basis of Accounting***

The Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the State considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on formal debt issues, claims and judgments, and compensated absences are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of formal debt issues and acquisitions under capital leases and installment purchases are reported as other financing sources. Significant revenue sources which are susceptible to accrual include charges for services and interest and investment income. All other revenue sources including fines, licenses, and other miscellaneous revenues are considered to be measurable and available if they are collected within 60 days of the end of the current fiscal year.

**STATE OF ILLINOIS
ILLINOIS POWER AGENCY**

Individual Nonshared Governmental Funds
Notes to the Financial Statements

June 30, 2023

(2) **Summary of Significant Accounting Policies - Continued**

(d) ***Cash Equity in State Treasury***

Cash equity in the State Treasury includes deposits held in the State Treasury. It also includes cash received and deposited in the Agency's clearing account and in process to the State Treasurer.

(e) ***Investments***

Investments are reported at fair value. The Illinois State Board of Investment holds investments for the Illinois Power Agency Trust Fund within the Illinois Power Agency Investment Fund pursuant to the State Finance Act (30 ILCS 105/6z-75).

(f) ***Interfund Transactions***

The following types of interfund transactions between the Funds and funds of other State agencies may occur:

Interfund Loans are amounts provided with a requirement for repayment made in accordance with State law, which are reported as interfund receivables in lender funds and interfund payables in borrower funds. When interfund loan repayments are not expected within a reasonable time, the interfund balances are reduced and the amount that is not expected to be repaid is reported as a transfer from the fund that made the loan to the fund that received the loan.

Services provided and used are sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as interfund receivables and payables in the governmental funds balance sheet.

Reimbursements are repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers are flows of assets (such as cash or goods) between funds without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the governmental funds making transfers and as other financing sources in the governmental funds receiving transfers.

**STATE OF ILLINOIS
ILLINOIS POWER AGENCY**

Individual Nonshared Governmental Funds
Notes to the Financial Statements

June 30, 2023

(2) **Summary of Significant Accounting Policies - Continued**

(g) **Fund Balances**

Fund balances are classified in the following categories:

Non-spendable This consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The Illinois Power Agency Trust Fund had a non-spendable fund balance as of June 30, 2023.

Restricted This consists of amounts that are restricted to specific purposes, which is when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. There were no restricted fund balances as of June 30, 2023.

Committed This consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Agency's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Agency removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Agency's highest level of decision-making authority rests with the Illinois General Assembly and the Governor. The State passes Public Acts to commit its fund balances. The Illinois Power Agency Operations Fund, and the Illinois Power Agency Renewable Energy Resources Fund had committed fund balances as of June 30, 2023.

Assigned This consists of net amounts that are constrained by the Agency's intent to be used for specific purposes, but that are neither restricted nor committed. Fund balance assignments can only be removed or changed by action of the General Assembly. There were no assigned fund balances as of June 30, 2023.

Unassigned This consists of residual fund balance (deficit) that has not been designated for specific purposes within the Funds. There were no unassigned fund balances as of June 30, 2023.

The Agency has a general policy to first use restricted resources for expenditures incurred for which both restricted and unrestricted (committed, assigned, or unassigned) resources are available. When expenditures are incurred for which only unrestricted resources are available, the policy is to use committed resources first, then assigned. Unassigned amounts are only used after the other resources have been used.

**STATE OF ILLINOIS
ILLINOIS POWER AGENCY**

Individual Nonshared Governmental Funds
Notes to the Financial Statements

June 30, 2023

(2) Summary of Significant Accounting Policies - Continued

(h) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(i) Future Adoption of GASB Statements

Effective for the year ending June 30, 2024, the Agency will adopt the following GASB statements:

The portion of Statement No. 99, Omnibus 2022, related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No 53.

Statement No. 100, *Accounting Changes and Error Corrections*, which is intended to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

Effective for the year ending June 30, 2025, the Agency will adopt the following GASB statements:

Statement No. 101, *Compensated Absences*, which is intended to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

The Agency has not yet determined the impact of adopting these statements on its financial statements.

(3) Deposits and Investments

(a) Deposits

The State Treasurer is the custodian of the Funds deposits and investments for funds maintained in the State Treasury. Deposits in the custody of the State Treasurer at June 30, 2023, including cash on hand and cash in transit, totaled \$8.138 million for the Illinois Power Agency Operations Fund, \$122 million for the Illinois Power Agency Renewable Energy Resources Fund, and \$14.6 thousand for the Illinois Power Agency Trust Fund. These deposits are pooled and invested with other State funds in accordance with the Deposit of State Moneys Act of the Illinois Compiled Statutes (15 ILCS 520/11). Funds held by the State Treasurer have not been categorized as to credit risk because the Funds do not own individual securities. Details on the nature of these deposits are available within the State's ACFR.

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Individual Nonshared Governmental Funds
Notes to the Financial Statements

June 30, 2023

(3) Deposits and Investments - Continued

(b) Investments

The Illinois State Board of Investment, an internal investment pool of the State, holds the investments within the Illinois Power Agency Investment Fund pursuant to the State Finance Act (30 ILCS 105/6z-75). At June 30, 2023, total investments were \$43.926 million.

The Illinois State Board of Investment manages all assets held by it within a single commingled fund. Disclosures pertaining to these investments are included in the financial statements of the Illinois State Board of Investment. A copy of the financial statements of the Illinois State Board of Investment may be obtained by writing to the Illinois State Board of Investment, 180 North LaSalle Street, Suite 2015; Chicago, Illinois, 60601.

(4) Other Receivables

The balance of Other Receivables for the Illinois Power Agency Operations Fund includes reimbursements owed to the Agency, totaling \$11.8 million.

(5) Interfund Balances and Activity

Interfund transfer activity during the year ended June 30, 2023 consisted of the following:

Interfund transfers in (amounts expressed in thousands) for the year ended June 30, 2023, were as follows:

Fund	Transfer in From Other State Funds	Description /Purpose
Illinois Power Agency Trust	14.6	Operations Transfer of ISBI Funds per 30 ILCS 105/Gz-27
	<u>14.6</u>	

Interfund transfers in from the Department of Commerce and Economic Opportunity (amounts expressed in thousands) for the year ended June 30, 2023, were as follows:

Fund	Transfer in from Other State Funds	Description /Purpose
Illinois Power Operations Fund	4,000	Mandatory transfer pursuant to 20 ILCS 605/605-1075
	<u>4,000</u>	

**STATE OF ILLINOIS
ILLINOIS POWER AGENCY**

Individual Nonshared Governmental Funds
Notes to the Financial Statements

June 30, 2023

(6) Pension Plan

Substantially all of the Agency's full-time employees participate in the State Employees' Retirement System (SERS), which is a pension trust fund in the State of Illinois reporting entity. The SERS is a single-employer defined benefit public employee retirement system in which State employees participate, except those covered by the State Universities, Teachers, General Assembly, and Judges Retirement Systems. The financial position and results of operations of the SERS for Fiscal Year 2023 are included in the State of Illinois ACFR for the year ended June 30, 2023. The SERS also issues a separate ACFR that may be obtained by writing to the SERS, 2101 South Veterans Parkway, Springfield, Illinois, 62794-9255.

A summary of benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the SERS ACFR. Also included is a discussion of employer and employee obligations to contribute and the authority under which those obligations are established. The Agency pays employer retirement contributions based upon an actuarially determined percentage of its payrolls. For Fiscal Year 2023, the employer contribution rate was 53.258% and the Illinois Power Agency Operations Fund made contributions of \$1.340 million.

(7) Post-employment Benefits

The State provides health, dental, vision, and life insurance benefits for retirees and their dependents in a program administered by the Central Management Services (CMS). Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans. Health, dental, and vision benefits include basic benefits for annuitants and dependents under the State's self-insurance plan and insurance contracts currently in force. Annuitants may be required to contribute towards health, dental, and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State Employees Retirement System do not contribute towards health, dental, and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitants' contribution amount is reduced five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health, dental, and vision benefits. Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefit becomes \$5,000.

The total cost of the State's portion of health, dental, vision, and life insurance benefits of all members, including post-employment health, dental, vision, and life insurance benefits, is recognized as an expenditure by the State in the State's ACFR.

The State finances the costs on a pay-as-you-go basis. The total costs incurred for health, dental, vision, and life insurance benefits are not separated by department or component unit for annuitants and their dependents nor active employees and their dependents.

**STATE OF ILLINOIS
ILLINOIS POWER AGENCY**

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Notes to the Financial Statements

June 30, 2023

(7) Post-employment Benefits – Continued

A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established is included as an integral part of the financial statements of CMS. A copy of the financial statements of CMS may be obtained by writing to CMS, 715 Stratton Building, 401 South Spring Street, Springfield, Illinois, 62706.

(8) Risk Management

The Funds are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers compensation; and natural disasters. The State retains the risk of loss (i.e., self-insured) for these risks.

The Funds risk management activities for self-insurance, unemployment insurance, and workers compensation are financed through appropriations to the Department of Central Management Services and are accounted for in the General Fund of the State. The claims are not considered to be a liability of the Funds; and accordingly, have not been reported in the Funds financial statements for the year ended June 30, 2023.

(9) Commitments and Contingencies

(a) Lessee arrangements

The Agency has entered into a lease for an office facility with an initial lease term for three years ending on November 30, 2023. Although lease terms vary, certain leases are renewable subject to appropriation by the General Assembly. If renewal is reasonably assured, leases requiring appropriation by the General Assembly are considered noncancelable leases for financial reporting purposes. The Agency recorded lease payments totaling \$100 thousand during Fiscal Year 2023 in the Illinois Power Agency Operations Fund.

Lease Payment Schedule

Year	Payment	Principal	Interest
2024	\$ 49,983	\$ 49,553	\$ 430

**STATE OF ILLINOIS
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Individual Nonshared Governmental Funds
Notes to the Financial Statements

June 30, 2023

(9) Commitments and Contingencies – Continued

(b) Renewable Energy Credits

During Fiscal Years 2015 and 2016, under the Supplemental Photovoltaic Procurement Plan developed pursuant to Public Act 98-0672, the Agency held procurements to purchase up to \$30 million in Renewable Energy Credits (RECs) from new photovoltaic distributed energy generation devices. Renewable energy credits are certificates that represent the environmental benefits of electricity generated from renewable energy generation, such as solar panels or wind turbines.

A total of 6 companies have, or had, contracts to sell RECs to the Agency with contracts that started on or after, July 1, 2016, and with terms that allowed for up to nine months to identify individual projects, one year to develop projects, and then five years for the delivery of RECs as they are created. As of June 30, 2023, the outstanding commitment for those contracts totaled \$330 thousand.

Starting in Fiscal Year 2019 the Agency implemented the Illinois Solar for All Program which has a total of 20 companies with contracts with the Agency that include incentives for low-income distributed generation and community solar projects and other associated approved expenditures as stated in the (20 ILCS 3855/1-56(B)(2)). As of June 30, 2023, the total outstanding commitment for the contracts listed above is \$46 million.

(c) Vendor Dispute

As of June 30, 2023, the Agency has an ongoing dispute with the former Program Administrator of the Adjustable Block Program regarding application fees collected by that Program Administrator for project applications not processed, or partially processed prior to the end of their contract (June 30, 2022). As of the report date, the amount of fees at issue is subject to ongoing settlement negotiations between the Agency and the vendor.

(10) Credit and Collateral Requirements

Some Sellers in the Illinois Solar for All program are required, within thirty (30) Business Days of the Trade Date of a Product Order, to post a Performance Assurance through either the: (i) posting of a Letter of Credit; or (ii) posting of cash collateral in the amount indicated as the initial Performance Assurance Requirement on such Product Order with the Illinois Power Agency. For avoidance of doubt, Seller's Performance Assurance with respect to a Designated System is required regardless of whether such Designated System is Energized as of the Trade Date or Energized within the thirty (30) Business Day period after the Trade Date. The cash collateral held by the Illinois Power Agency is recorded as bid deposits payable on the balance sheet in the amount of \$3.150 million as of June 30, 2023. The balance of letter of credit was \$490 thousand as of June 30, 2023.

(11) Subsequent Events

The Agency is not aware of any additional facts, decisions, or conditions through the report date that might be expected to have a significant effect on the financial position or results of operations during this and future fiscal years.

Appendix B

Illinois Power Agency

Fiscal Year 2023 Summary of Funds on a Cash Basis

**State of Illinois
Illinois Power Agency
Summary of Funds on a Cash Basis
Balance Sheet
June 30, 2023**

	<u>Special Revenue</u>		<u>Permanent Trust</u>
	<u>Illinois Power Agency Operations 0425</u>	<u>Illinois Power Agency Renewable Energy Resources 0836</u>	<u>Illinois Power Agency Trust 0424</u>
Assets			
Cash	\$8,138,787	\$122,729,039	\$14,633
Investments			\$43,925,845
Total Assets	<u>\$8,138,787</u>	<u>\$122,729,039</u>	<u>\$43,940,478</u>
Deferred Outflows of Resources (DOR)			
Total DOR			
Total assets and DOR	<u>\$8,138,787</u>	<u>\$122,729,039</u>	<u>\$43,940,478</u>
Liabilities			
Bid Deposits		\$3,149,649	
Total Liabilities	<u>\$0</u>	<u>\$3,149,649</u>	<u>\$0</u>
Fund Balance			
Nonspendable-endowments and similar funds			
Committed			\$43,940,478
Employment and economic development	\$8,138,787	\$119,579,390	
Total fund balance	<u>\$8,138,787</u>	<u>\$119,579,390</u>	<u>\$43,940,478</u>
Total liabilities, DIR, and fund balances	<u>\$8,138,787</u>	<u>\$122,729,039</u>	<u>\$43,940,478</u>