

ILLINOIS COMMERCE COMMISSION
Public Notice of Successful Bidders and Average Prices

Illinois Power Agency
June 2023 Forward Procurement of Indexed Renewable Energy Credits from
New Utility-Scale Wind, Utility-Scale Solar and Brownfield Site Photovoltaic Projects

June 29, 2023

On June 23, 2023, the Illinois Power Agency's ("IPA's") procurement administrator, NERA Economic Consulting, received bids for the sale of indexed renewable energy credits ("RECs") to Ameren Illinois Company ("Ameren"), Commonwealth Edison Company ("ComEd"), and MidAmerican Energy Company ("MEC") derived from new utility-scale wind projects, new utility-scale solar projects and new brownfield site photovoltaic projects. The bidding process was monitored for the Commission by Bates White. On June 29, 2023, voting in open session, the Commission approved the procurement administrator's selection of winning bids.

The June 2023 procurement is a result of Public Act 102-0662, also known as the Climate and Equitable Jobs Act, which became effective September 15, 2021. This is the third procurement event for indexed RECs.

The Climate and Equitable Jobs Act largely adopted the existing procurement process for procuring RECs but added one key element that distinguishes this procurement event (and future events like it) from prior REC procurement events. Specifically, the Act required use of an indexed REC pricing structure. In the past, IPA REC procurements have offered a fixed price REC structure in which bidders offer a single, fixed REC price on bid day. The indexed REC pricing affords bidders the ability to specify a "strike" price, which is a guaranteed price to be paid to bidders for their RECs but includes the energy component as well. As energy index prices rise (implying high energy revenues for the supplier), the indexed REC payment falls; as energy index prices fall (implying low energy revenues for the supplier), the indexed REC payment rises. The strike price is netted against the RTO wholesale energy market index price, resulting in a settlement between the supplier and the utility buyer in which the supplier is guaranteed its strike price for all RECs delivered to the utility buyer. This means that under the indexed REC contract, a supplier could either be owed a payment from the utility buyer, or owe a payment to the utility buyer, depending on whether the strike price was higher or lower than the index price.

This approach does make comparisons between this procurement and prior wind, solar, and brownfield solar procurements difficult, since it is not possible to directly compare a fixed price REC bid to indexed REC bids. Indexed REC bids will necessarily be higher since they include an energy component.

The procurement administrator, on behalf of the IPA, issued the June 2023 Utility-Scale Wind, Utility-Scale Solar, and Brownfield Photovoltaic Request-For-Proposal ("RFP") to procure 1.75 million RECs to be delivered annually from new utility-scale wind projects, 1 million from

new utility-scale solar projects, and 65,000 RECs to be delivered annually from new brownfield site photovoltaic projects.

The statute defines a utility-scale wind or solar project as an electric generating facility that has a nameplate capacity greater than 5,000 kilowatts. Brownfield site photovoltaic projects do not have a minimum size requirement but the projects are required to qualify as brownfield sites under the law. A brownfield site photovoltaic project must be located in the state of Illinois. A utility-scale wind project and a utility-scale solar project are not required to be located in Illinois; however, if the project is not located in Illinois, additional requirements must be met. Projects must be “new,” which means that they must have been energized after June 1, 2017.

Delivery of the RECs for each procurement begins no later than May 31, 2027 (though extensions are possible if approved by the IPA on a case-by-case basis under certain conditions) and continues for a 20-year period. The RECs acquired through this RFP will help the utilities meet their obligations under the Illinois Renewable Portfolio Standard (“RPS”). A REC represents all the environmental attributes corresponding to one MWh of energy generated from renewable energy resources. Projects selected in this RFP are agreeing only to supply RECs. Energy and capacity from the projects may be sold to other parties or into the PJM and MISO wholesale markets.

In accordance with Section 16-111.5(h) of the Public Utilities Act (“Act”), the following information is made public at the time of Commission approval of a procurement event under the Indexed REC Procurement: (i) the names of successful bidders; (ii) the average of the winning bid prices for each contract type and contract duration; (iii) the address and nameplate capacity of the new renewable energy generating facility; and (iv) the business address and contact information for each successful bidder. There were no winning utility-scale wind projects in the Summer 2023 Indexed REC RFP. There were also no winning projects within Energy Transition Community Grant Areas in the Summer 2023 Indexed REC RFP.

The Average Winning Bid Price in the table below reflects the strike price (\$/MWh). The price of an indexed REC is calculated by subtracting the strike price from the index price in a given settlement period.

Winning Suppliers and Projects

Supplier Name, business address and contact information	Address of Selected Project	Type and Nameplate Capacity (in MW AC rating)	Average Winning Bid Price (\$/MWh)
Coffeen - East Fork Solar LLC 6555 Sierra Drive Irving, TX 75039 Media.Relations@vistracorp.com	134 CIPS Lane Coffeen, IL 62017	Brownfield Site Photovoltaic 17.00 MW	\$69.83/MWh
Newton - Parr Solar LLC 6555 Sierra Drive Irving, TX 75039 Media.Relations@vistracorp.com	6725N 500th St Newton, IL 62448	Brownfield Site Photovoltaic 15.00 MW	
Valevue Solar LLC 108 Lakeland Drive Dover, DE 19901 info@solsystems.com	2123 State Highway 78 Jacksonville, IL 62650	Brownfield Site Photovoltaic 7.25 MW	
Buffalo Solar Farm, LLC 353 N. Clark St., Floor 30 Chicago, IL 60654 siamak.niroomand@rwe.com	(41.29865563, -88.53167914) Norman Township, IL 60450	Utility-Scale Solar 116.00 MW	
Earthrise Illinois North Central Solar I, LLC 3033 Wilson Blvd., Suite 700 Arlington, VA 22201	(40.479355, -88.417646) Gibson City, IL 60936	Utility-Scale Solar 45.00 MW	
Earthrise Illinois North Central Solar II, LLC 3033 Wilson Blvd., Suite 700 Arlington, VA 22201	(40.501309, -88.438129) Gibson City, IL 60936	Utility-Scale Solar 45.00 MW	
Earthrise Illinois North Central Solar III, LLC 3033 Wilson Blvd., Suite 700 Arlington, VA 22201	(40.434436, -88.466133) Saybrook, IL 61770	Utility-Scale Solar 45.00 MW	
Earthrise Illinois South Central Solar II, LLC 3033 Wilson Blvd., Suite 700 Arlington, VA 22201	(39.271793, -88.408749) Neoga, IL 62447	Utility-Scale Solar 37.50 MW	
Hawkeye Solar, LLC 226 N. Morgan St., Suite 200 Chicago, IL 60607 info@rangerpower.com	2445 210th Avenue Grand Mound, IA 52751	Utility-Scale Solar 200.00 MW	
Hawkeye Solar II, LLC 226 N. Morgan St., Suite 200 Chicago, IL 60607 info@rangerpower.com	2445 210th Avenue Grand Mound, IA 52751	Utility-Scale Solar 50.00 MW	