IL REC Procurement Programs with the IL Power Agency (IPA)

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Agenda

• SRECTrade Overview
• Original RPS Overview - REC procurement programs
• New RPS Overview
• Adjustable Block Program Overview
• RPS Implementation Timeline
Transaction & Management Platform

• Since 2008
• 1 GW under management
  • 300 MW Agency Management
  • 700 MW Managed by Software
• 100,000 facilities
• 100% REC focused
• Management and brokerage model
Original IL RPS - History

• Goal: 25% by 2025

• Utilities
  • IPA met goals through annual procurement plan and long-term REC procurements (primarily utility scale wind and solar)

• Alternative Suppliers
  • ACP payment required for at least 50% of load
  • Additional RECs used to satisfy balance

• Renewable Energy Resources Fund
  • ACP funds dedicated to additional renewable resources

• Challenges
  • Customers switching between service resulted in moving targets
  • Funds from RE Resources Fund redirected, law constrained use
Original IL RPS - History

• REC Procurements
  • 2008-2012 – Annual REC procurements (2M RECs annually)
  • 2010 – Long-term procurements (1.8M annually)
  • 2012 – “Rate Stability” procurement (4.8M)
  • 2016 – MidAmerican wind RECs (61,198)

• SREC and DG procurements
  • 2015-16 – Supplemental PV procurements (1,200 successful systems)
    • 5 year REC contracts with IPA
    • Avg. winning prices – $90 - $215
  • 2015-2017 – DG Procurements
    • 5 year REC contracts
    • 97,745 procured in Spring 2017
    • 40,765 available for Fall 2017 procurement
New IL RPS - Overview

• Future Energy Jobs Bill > SB 2814 > Public Act 99-0906

• Maintains 25% by 2025 RPS but streamlines RPS into one compliance market

• Requires IPA to purchase RECs from “new” RE projects on behalf of Illinois utilities
  • Est. 1,350 MW of new wind and 2,700 MW of new solar by 2030
New IL RPS - Overview

**Annual Renewable Energy Credits Procurement Requirements**

- 2020: 1,000,000
- 2025: 3,000,000
- 2030: 4,000,000

**New-Build Solar Carve-Outs**

- Utility-scale solar (2+ MW): 40%
- Distributed Generation & Community Solar: 50%
- Urban Brownfields to Brightfields: 2%
- Any Solar PV Resource: 8%

Source: ELP Fact Sheet-Illinois RPS Fix Summary - 2016
New DG Adjustable Block Program (under 2 MW) will offer:

- 15 year contracts with upfront payments
  - Over 10 kW will receive 20% at interconnection & energization and balance paid out over next 4 years
- Transparent schedule of prices (vs. Procurement confidential price)
- Blocks have a set size and prices that adjust between blocks
New IL RPS – Adjustable Block Program

• Separate blocks/carve-outs for:
  • Small-scale DG (10 kW or less) – 25%
  • Large-scale DG (10 kW – 2 MW) – 25%
  • Community solar projects – 25%
  • Remaining 25% allocated as specified by the IPA in Long-Term Renewable Resources Procurement Plan (LTRRP)

• Goal to ensure that projects are in diverse locations and are not overly concentrated in any one city / utility / region
Many program details are still under development, including:

- Clawback provisions and terms for under/over-delivery
- When and how IPA will adjust blocks
- Who will administer the program (RFQ this Fall)
- How third party managers can/will participate
- Size / split / division of blocks across project categories / types / geography / utilities
- **REC prices**: cost-based model or market observations? Adders?
Timeline - Implementation of RPS Programs

August 2017
• IPA Releases Draft Plan (no later than September 29, 2017)

September 2017
• IPA hosts hearing on Draft Plan
• Comments on Draft Plan due

October 2017
• RFQ for Adjustable Block Program Administrator, among other RFP items

Q2 2018
• Expected program(s) commencement dates
Questions?

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