



Implementing the RPS

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Illinois Actually Has Several Renewable Resources Standards

1. For customers who take default service from ComEd or Ameren
 - Annual procurements via the IPA
 - Due to declining number of customers, no purchases since 2012
 - Rate cap has led to some contracts being curtailed
2. For customers on hourly pricing
 - Funds collected have been used to help alleviate the curtailed contracts
3. For customers who take service from an alternative supplier
 - Virtually all large customers
 - 2/3rds of residential and small commercial customers



RPS for Alternative Suppliers

- Alternative Suppliers must
 - Annually pay **Alternative Compliance Payments** into the **Renewable Energy Resources Fund** for at minimum half of their obligation
 - Purchase Renewable Energy Credits or other options for the rest of their obligation



RPS for Alternative Suppliers

- Due to competitive nature of the retail market, alternative suppliers likely to seek short-term REC purchases for their obligations
- Renewable Energy Resources Fund
 - Can only be used to purchase RECs
 - Over \$50 million collected to date; \$80 million more expected this fall
 - Legislative update needed to facilitate spending



Varying Requirements

- RPS requires mostly wind
 - 75% for utility procurements and the Renewable Energy Resources Fund
 - 60% for Alternative Suppliers
- Distributed Generation and Solar is coming
 - 6% Solar goal (new this year for Alternative Suppliers)
 - 1% Distributed Generation goal (half from under 25 kW projects)



Past Utility Procurements

- 2010 Procurement for long-term resources included two solar projects
- 2012 Procurements of RECs included PV
- No renewables procurements in 2013 or 2014
- Possible Ameren procurement in 2015 (assuming no change in law)



IPA Procurement Process

- As a general rule the IPA never speculates on possible price outcomes of procurements
- Confidential Benchmarking process an intrinsic aspect of IPA procurements
- Procurements are conducting through an RFP process and results are evaluated on the basis of price for each product procured



Using the Renewable Energy Resources Fund

- Assuming legislative update, IPA would proceed with a procurement using the RERF
- Multiple products would be procured
- IPA held workshops in 2012 to discuss design of a Distributed Generation procurement
- IPA included an outline of that plan in the Procurement Plan for 2013 (which did not recommend an actual procurement)
- DG plan will require review and updating



2012 DG Plan Key Points

- Two categories
 - Generators < 25 KW
 - Generators 25 KW to 2 MW
- 5 years contracts, RECs only
- Larger projects will bid into a procurement RFP
- Small projects would be aggregated into 1 MW blocks and be price takers

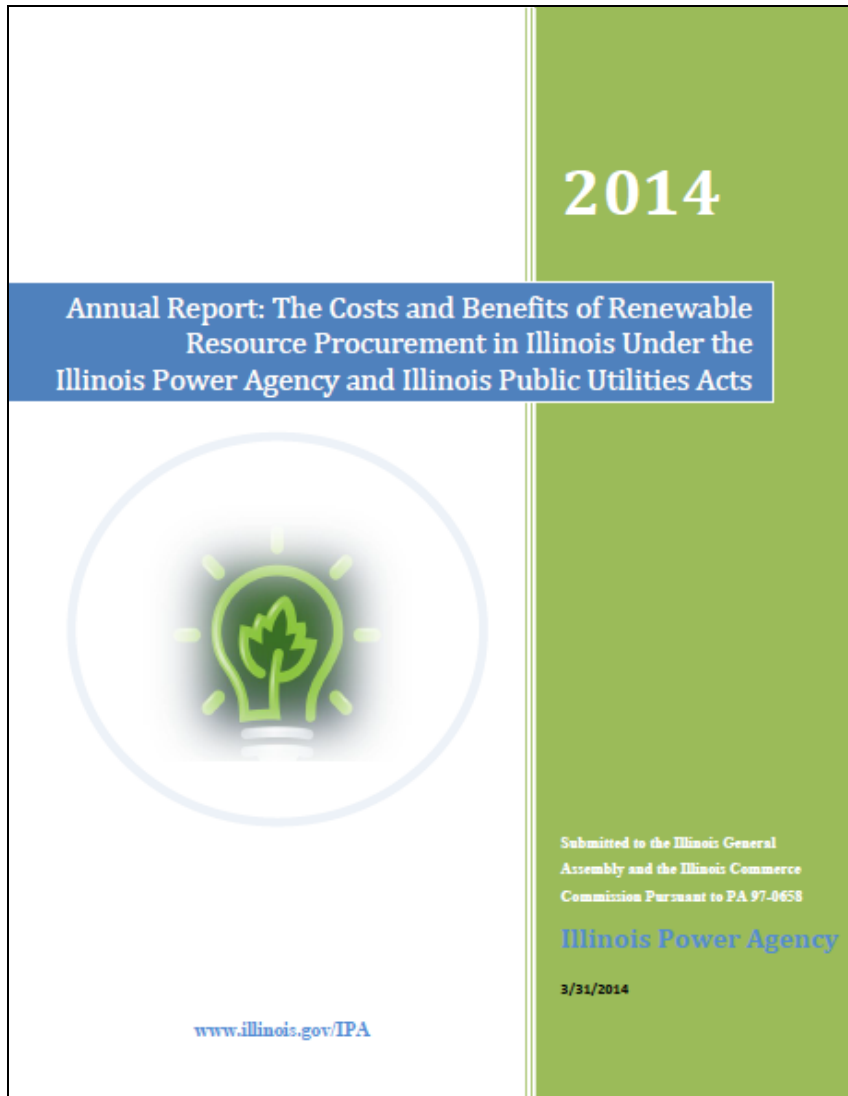


Open Issues

- Determining funding split for large and small project
- Aggregation process for smaller projects
- Lead time between procurement and start of delivery
- Annual appropriations cycle and challenges of contracting with the State
- Intersection with other interconnection standards, net metering, installer certification, etc.



Just Released



Includes an overview of New Jersey, Pennsylvania, and Massachusetts solar DG programs





For More Information:

www.illinois.gov/ipa

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