



Overview: Improved & Modernized Illinois Renewable Portfolio Standard

Energy legislation passed in December 2016 contains long-awaited “fix” to the Illinois RPS



The Future Energy Jobs Bill (SB 2814) will improve and modernize the Renewable Portfolio Standard (RPS) by ensuring long-term, reliable funding sources for the purchase of renewable resources into the foreseeable future. The newly updated RPS creates a secure, stable budget of more than \$200 million annually for the purchase of Renewable Energy Credits (RECs) on behalf of Illinois utilities by the Illinois Power Agency (IPA). It also establishes new community solar, low-income solar, brownfield solar, and distributed generation programs that will lead to diverse and balanced solar market development that is accessible to all Illinois residents.

Jumpstarting the Illinois Solar PV Market

In order to jumpstart a diverse Illinois solar market with the widest possible range of benefits, the legislation contains carve-outs within the solar new build requirement for:

(1) adjustable block program that procures RECs from distributed generation and community solar (50%);

(2) “utility”-scale projects sized at 2 MW or higher (40%); and

(3) development of urban brownfields into solar brightfields (2%).

There is also long-term funding for low-income solar development.

See the reverse side for details on each of these new program areas.

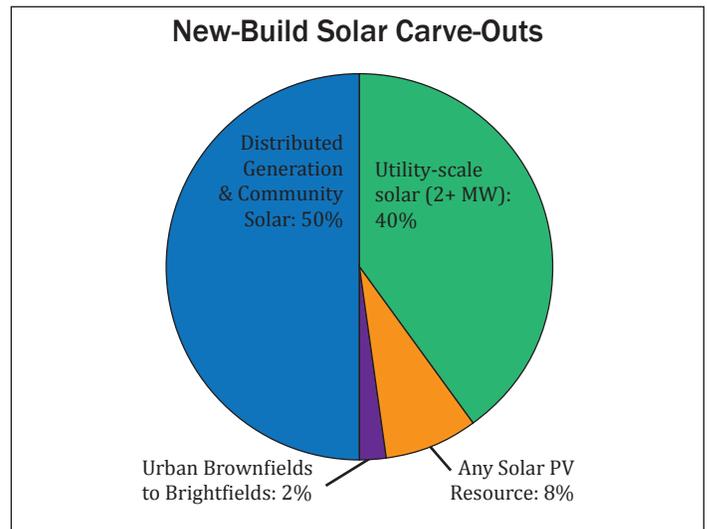
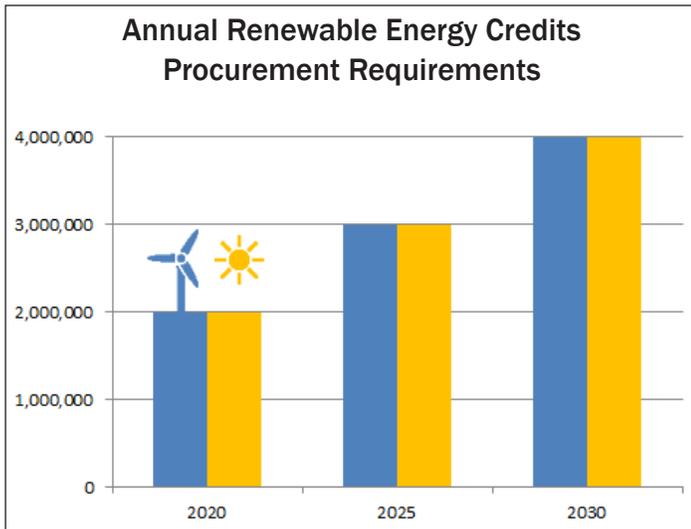
Schedule: 25% by 2025

With Explicit Requirements for New Wind & Solar

The Illinois RPS maintains the existing 25% by 2025 renewable energy targets with the existing 2% cost cap on rates, but adds new provisions to ensure that these RECs are supplied by new construction of wind and solar projects in Illinois. We estimate that this will require more than 1,350 MW of new wind and 3,000 MW of new solar by 2030.

Here are estimates of the amount of new wind and solar required by the new build targets:

Year	New Wind (MW)	New Solar (MW)
2020	650	1,500
2025	1,000	2,250
2030	1,350	3,000



Community Solar: The legislation establishes the state’s first Community Solar program, which enables those not able to build solar on their roof to subscribe to a shared project in their community. Subscribers will receive bill credits valued at their energy supply rate, and the IPA will purchase the RECs through the IPA’s Adjustable Block Program (described below). Community solar projects are also eligible for the DG grid value rebate described below. At least 25% of the statutory “new build” solar requirement must come from community solar projects, and the bill directs the IPA to design the program to ensure robust opportunities for small customer participation.

Distributed Generation: The updated RPS directs the IPA to create an Adjustable Block Program — similar to the New York Sun Megawatt Block program or the California Solar Initiative — for distributed generation and community solar projects sized 2 MW or less. A minimum of 50% of the new solar RECs must come from this program, and there are separate carve-outs for small-scale DG (10kW or less), large-scale DG (more than 10kW), and community solar projects. The IPA will set schedules of prices for certain quantities (“blocks”) of RECs to

be purchased through the program. The prices will be able to adjust over time as the cost of installing solar changes. This will create predictable pricing for DG and community solar in Illinois.

“Utility-Scale” Projects: 40% of new solar RECs must come from projects larger than 2 MW. This carve-out should catalyze the mid- and large-scale solar development market in Illinois. As part of this program, the IPA will conduct an up-front procurement for approximately 600 MW of new utility-scale projects to begin delivery by 2019.

Brownfields to Brightfields: In addition to the large carve-outs for the Adjustable Block Program and utility-scale solar development, the solar new build standard also has a 2% carve-out for solar development projects on brownfields. This carve-out will help bring hundreds of acres of contaminated land back to productive use, benefitting communities throughout the state.

Low-Income Solar: The legislation also directs the IPA to create an “Illinois Solar for All” program that will provide solar deployment and job training opportunities for low-income communities. The program provides for:

- (1) distributed generation for low-income customers;
- (2) community solar for low-income subscribers; and
- (3) distributed generation for non-profits and community facilities serving low-income communities.

The program provides a carve-out for environmental justice communities and will integrate with solar job training programs to provide a pipeline of solar jobs for trainees — similar to California’s successful SASH solar installation and job training program.

Net Metering & DG Value: In addition to the RPS provisions, this legislation places Illinois among the leading states that are beginning to think about how to fairly compensate and strategically deploy distributed generation as a grid resource by:

- (1) protecting net metering — grandfathering existing customers and preserving net metering up to the original 5% program cap;
- (2) eliminating a controversial proposal to require residential “demand charges;” and
- (3) directing the Illinois Commerce Commission to initiate a new process for compensating DG customers for the geographic, time, and performance-based values to the grid.