

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

The Illinois Power Agency)
)
Petition for Approval of the 2017 IPA) **Docket No. 16-0453**
Procurement Plan Pursuant to Section)
16-111.5(d)(4) of the Public Utilities Act)

**THE RENEWABLES SUPPLIERS’ RESPONSE TO CERTAIN OBJECTIONS
TO THE ILLINOIS POWER AGENCY’S 2017 PROCUREMENT PLAN**

The Renewables Suppliers submit this response to the Objections filed by the Staff of the Illinois Commerce Commission (“Staff”) to the Illinois Power Agency’s (“IPA”) 2017 Procurement Plan (“IPA Plan”).¹ Specifically, the Renewables Suppliers are responding to Staff’s objection/recommendation that the IPA Plan be modified to provide that the annual quantity targets and spending limits for the IPA’s two proposed 2017 procurement events for renewable energy credits (“RECs”) from distributed generation (“DG”) resources be split between 5-year and 10-year contracts.² Staff Objections at 4-5.

Response to Staff Objection Concerning Proposed 2017 Procurement of DG RECs

The IPA Plan proposes that there be two procurement events during 2017 to procure DG RECs for Commonwealth Edison and Ameren Illinois Company, with the procurements to be funded by each utility’s funds accumulated from applying the Alternative Compliance Payment (“ACP”) rate to sales to customers taking service on hourly pricing tariffs (“Hourly ACP Funds”). The IPA proposes to procure the DG RECs through 5-year contracts, which is the minimum contract term for DG RECs specified in the IPA Act. IPA Plan at 3, 6, 96-98. Staff recommends that the IPA consider holding only one, not two, DG REC procurement events in

¹ The Renewables Suppliers are: (1) EDP Renewables North America LLC and its affiliated project companies Meadow Lake Wind Farm I LLC, Meadow Lake Wind Farm II LLC, Meadow Lake Wind Farm III LLC, Meadow Lake Wind Farm IV LLC, and Blackstone Wind Farm LLC; (2) Invenergy LLC and its affiliated project companies Grand Ridge Energy IV LLC and Invenergy Illinois Solar I LLC, and (3) NextEra Energy Resources, LLC and its subsidiary project company FPL Energy Illinois Wind, LLC.

² The Renewables Suppliers are not responding to, and take no position on, any other Objections to the IPA Plan filed by Staff or by any other party. However, the Renewables Suppliers reserve the right to file a Reply to any other parties’ Responses to Objections, in accordance with the procedural schedule.

2017, but that in either case, the IPA should evenly split the annual quantity targets and spending limits for the DG REC procurement(s) between 5-year contracts and 10-year contracts. Staff Objections at 5.

In their Objections to the IPA Plan (“RS Objections”), the Renewables Suppliers urged that for the 2017 (and any subsequent) DG REC procurements, the purchase contracts should specify that payments on the contracts from Hourly ACP Funds over the 5-year contract period (as proposed by the IPA) are subject to and subordinate to the use of Hourly ACP Funds to purchase curtailed RECs under the utilities’ Long-Term Power Purchase Agreements for bundled electricity and RECs from renewable resources (“LTPPAs”), as provided for in the Commission’s Order on Rehearing in Docket 13-0546. RS Objections at 6 (Objection C). This recommendation from the Renewables Suppliers would also apply to 10-year DG REC contracts as proposed by Staff. However, the Renewables Suppliers would urge the IPA and the Commission to limit the DG REC contracts to the minimum, statutorily-required 5-year term, as proposed in the IPA Plan. The Renewables Suppliers recognize that the 2017 DG REC contracts are to be funded entirely from a fixed amount of Hourly ACP Funds that will already have been collected by each utility and will be known at the time of the procurement event(s). However, a longer contract term than 5 years – which would extend beyond the 5-year forecast period – simply increases the risk of future events that could result in the need to use the Hourly ACP Funds for other purposes. Further, the IPA’s proposed 5-year contract term for the 2017 DG REC procurements is already much longer than the one-year contract lengths that the IPA is proposing for other REC procurements.

Finally, the possible use of a longer contract term for the 2017 DG REC procurements reinforces the importance of not holding the first DG REC procurement event in 2017 until after the utilities have submitted their March 2017 load forecast updates indicating whether curtailment of the LTPPAs is needed in the 2017-2018 Delivery Year or projected for any of the

following four Delivery Years (2018-19 through 2021-22). RS Objections at 3-4 (Objection A).

Respectfully submitted,

RENEWABLES SUPPLIERS

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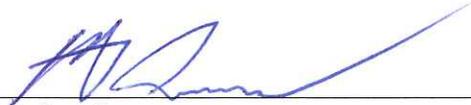
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VERIFICATION

Kristian Scornavacca, on oath, states that he is Business Manager for NextEra Energy Resources, LLC, one of the Renewables Suppliers; that he is authorized to make this verification on behalf of the Renewables Suppliers; that he has read the foregoing Renewables Suppliers' Response to Certain Objections to the Illinois Power Agency's 2017 Procurement Plan ("Objections") and is familiar with the matters set forth therein; and that the matters set forth in the Objections are true and correct to the best of his knowledge, information and belief.



Kristian Scornavacca

Subscribed and sworn to before me
this 20 day of October, 2016.



Notary Public



CERTIFICATE OF SERVICE

The undersigned attorney certifies that he caused copies of the Renewables Suppliers' Response to Certain Objections to the Illinois Power Agency's 2017 Procurement Plan in Docket 16-0453 to be served on the persons shown below by electronic mail on October 20, 2016.

/s/ Owen E. MacBride

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