



ENVIRONMENTAL LAW & POLICY CENTER
Protecting the Midwest's Environment and Natural Heritage

Opportunities for Renewables Development from Future Energy Jobs Act

Webinar for the
Association of Illinois Electric Cooperatives and
Illinois Municipal Electric Agency
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MeLena Hessel – Policy Advocate &
Andy Olsen – Senior Policy Advocate

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Environmental Law and Policy Center (ELPC)



ELPC is the
Midwest's leading
public interest
environmental
organization,
working to
advance
environmental
progress hand-in-
hand with
economic
development



ELPC Cooperative Solar Program



RuralSolarStories.org

The Future Energy Jobs Act

SB 2814 / Public Act 99-0906

<http://www.ilga.gov/legislation/publicacts/99/PDF/099-0906.pdf>



Three major sections for the bill

- Renewable Energy
 - Addresses key policy issues
 - Fixes Renewable Portfolio Standard
 - New renewables program
- Energy Efficiency
- Nuclear Power



Key Renewable Policy Issues



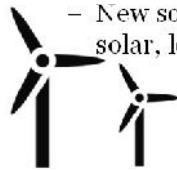
Apply only to Investor Owned Utilities (IOUs):

- **Net Metering** - grandfathering existing customers, preserves net metering up to the original 5% program cap;
- **Distributed generation rebate** – ICC directed to initiate new proceeding to establish valuation methodology
- **Demand charges** – Requirement removed from bill

Renewable Portfolio Standard (RPS) Fix



- 25% renewables by 2025 and years thereafter
 - 2% cost cap on rates
 - 75% of requirement from wind or solar
- Stable, secure budget (~\$200 million/year)
- Long-term planning process
- “New build” requirements for wind and solar
 - New solar programs: distributed generation, community solar, low-income “Solar for All”



Renewable Energy Credits

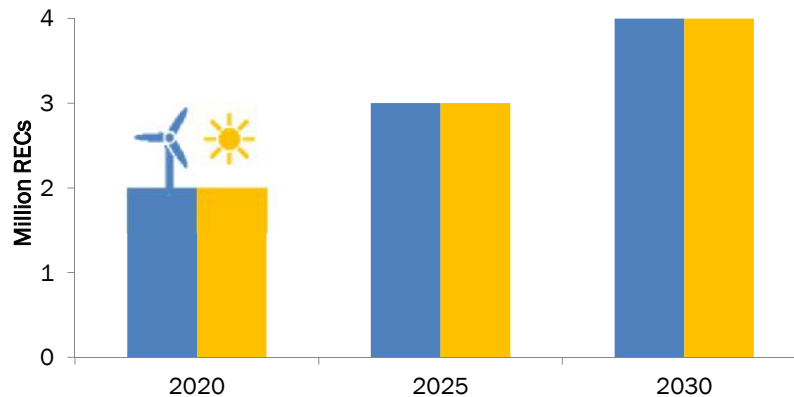


- RPS applies to and funded by IOUs
- IOUs comply through purchase of RECs
 - 1 Renewable Energy Credit (REC) = 1 Mwh
- All renewables in IL generate RECs, which can be sold to IOUs to comply

New Build Requirements



Annual REC Procurements – New Build



Renewable Portfolio Standard



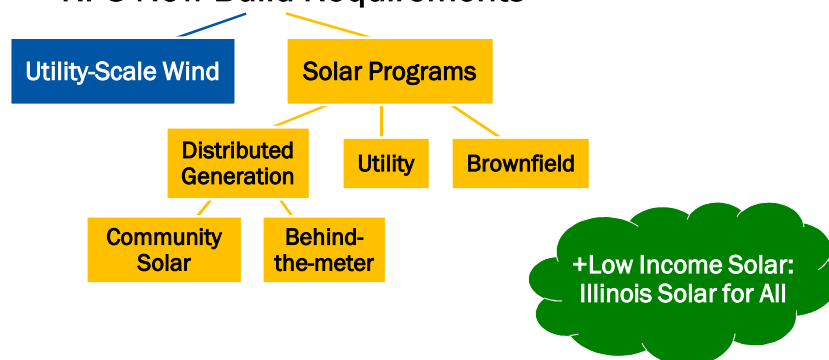
Estimated new wind and solar built from FEJA:

As of	New Wind (MW)	New Solar (MW)
2020	650	1,350
2025	1,000	2,000
2030	1,350	2,700

RPS Breakdown



RPS New Build Requirements



Utility-Scale Wind & Solar



- Separate procurement
- “Utility-scale” = greater than 2MW
- Initial procurements – begin later this year!
 - 1 million annual RECs each of wind and solar to begin delivery between 2019 and 2021
- Ongoing procurements thereafter
- REC procurement via “reverse auction”

All Illinois projects eligible

Distributed Generation (DG)



- Distributed Generation = 2 MW or less
- System RECs can be sold directly to IOUs
 - Via established and published prices for RECs
 - REC prices expected to adjust over time via...
- “Adjustable Block” program
 - Set REC prices for certain volume of RECs
 - Prices change over time as market develops
 - Different prices for different system sizes

Interconnected to IL utilities, co-ops, and munis

Community Solar



Co-ops & munis are exempt from IOU Community Solar rules around bill crediting, but can create their own billing mechanism to participate in the Community Solar carve-out.

Illinois Solar for All → Low-Income Solar



- Distributed Generation
- Non-profits and public facilities
- Community Solar
- Community Solar Pilot Projects

**Separate special incentives from IPA
Lower bills for low-income members/customers**

Illinois Power Agency *Anticipated** Timing / Process



- May 2017 Informal stakeholder workshops
- Initial forward procurements – May 10
 - Long term renewables resources plan & Adjustable block program – May 17
 - Community solar & Low-Income solar – May 18
 - Programs for Rural Communities – May 24
- Aug 2017* Renewable resources plan draft release
Initial utility-scale procurements
- Feb 2018* Renewable resources plan approval
- 2H 2018* Program launch!

**Anticipated means this process could get delayed*

Implications for Co-ops and Munis



- New revenues for renewables development
- Meet member demand
- Solar opportunities for local institutions, non-profits, low-income advocates, and everyday members/ customers
- Local governments may want to capture economic development opportunities/prepare for solar demand

Questions?



Check out examples of Rural Electric Cooperatives installing solar:
RuralSolarStories.org

Get in touch:

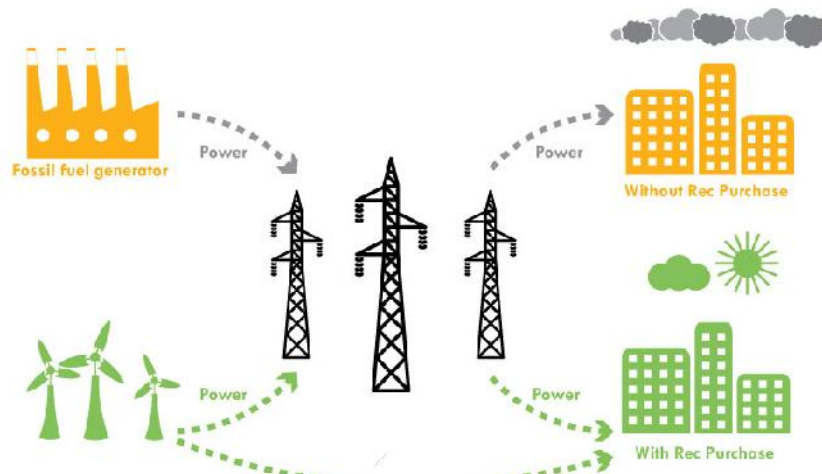
MeLena Hessel
mhessel@elpc.org
312-795-3738

Andy Olsen
aolsen@elpc.org
608-442-6998

Visit our website at www.elpc.org

Appendix

What is a Renewable Energy Credit/Certificate (REC)?



Appendix

December 2015 ITC/PTC Extension



	ITC	PTC
2016	30%	100%
2017	30%	80%
2018	30%	60%
2019	30%	40%
2020	26%	-
2021	22%	-
2022	0%/10%	-

- ITC = Investment Tax Credit for solar energy technology
- PTC = Production Tax Credit for wind energy production
- ITC drops to 0% for residential projects in 2022 but stays at 10% for commercial/utility projects
- Solar must be in-service by 2024 to qualify for > 10% ITC
- PTC lasts for 10 years after facility placed in service
- 100% PTC = \$0.023/kWh
- Year shown is by when projects must begin construction

Appendix

RPS Breakdown

