

## Illinois Frees \$30 Million for Solar Investment; Establishes Goals, Timeline

On June 28, 2014, Illinois Gov. Pat Quinn signed House Bill 2427 authorizing the Illinois Power Agency (IPA) to conduct a one-time, \$30 million procurement of Solar Renewable Energy Certificates (SRECs). This bill establishes a process for the IPA to help meet requirements adopted by the state in the 2007 under the Renewable Portfolio Standard (RPS). Under the Illinois RPS, 25 percent of the state's electricity must be generated by renewable resources by 2025. Of this 25 percent, six percent must be generated by solar energy.

The upcoming solar procurement has three subcategories: large commercial projects; commercial systems; and systems that are typically residential projects. The IPA has discretion in the allocation of the SRECs among the three categories. A core focus for the procurement is to encourage homeowners to install solar panels to shift and diversify renewable energy sources, and to help homeowners reduce their electric bills by allowing them to sell excess power to the grid.

### Recent Developments

On August 7, 2014, the IPA held a workshop pursuant to Section 1-56(i) of the Illinois Power Agency Act that addressed the supplemental solar procurement plan. The workshop presented key issues of the solar procurement plan and provided an opportunity to receive feedback from interested stakeholders. This plan was developed so that SRECs can be purchased using the \$30 million from the Renewable Energy Resources Fund. On August 15, 2014, the IPA included a discussion of the special solar procurement in its draft 2015 Electricity Procurement Plan. The draft plan recommends holding one SREC procurement in April 2015 and "does not

anticipate a second SREC procurement event under the 2015 Procurement Plan.”

The timeline for the special solar procurement is set forth below:

August 7, 2014	Public workshop to receive feedback from stakeholders and to address any issues and challenges
September 29, 2014	IPA to release draft plan for public comments
October 14, 2014	Deadline for comments on the draft plan
October 28, 2014	Revised plan to be filed with the Illinois Commerce Commission
January 26, 2015	Deadline for Illinois Commerce Commission to approve plan
April 2015	SREC procurement

To date, 52 megawatts of solar electric capacity have been installed in Illinois and \$6 million has been invested in Illinois for solar installations for home, business and utility use. Projects that have already been constructed include the West Pullman Solar Park in Chicago, which was completed in 2010 and has the capacity to generate power for over 1,100 Illinois homes; and the Grand Ridge Solar Plant in LaSalle County, one of the largest solar installations in Illinois, with electric capacity to power more than 2,700 homes.

### **What You Can Do**

Comments on the draft plan must be submitted no later than October 14, 2014. The IPA has considerable discretion in designing the procurement plan. The resulting amount of solar energy generated from the procurement depends on a number of factors but is mainly dependent upon two factors: (1) the allocation of wholesale/utility vs. distributed generation; and (2) new vs. existing generation. The proposed plan will potentially affect solar investors and owners of solar generation facilities that have the capacity to generate SRECs.

### **Contact Us**

For additional information regarding how the proposed rules might impact your business or your clients, or if you would like assistance filing comments on the proposed plan, please contact Kyle Barry in Husch Blackwell's Energy & Natural Resources group at 217.670.1782.