

October 14, 2014

Mr. Anthony Star
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ComEd Comments on the Illinois Power Agency's Draft Supplemental Photovoltaic Procurement Plan

In its Supplemental Photovoltaic (PV) Procurement Plan, the IPA proposes to procure only RECs from new PV facilities rather than from both new and existing facilities as the law requires. The IPA also proposes holding separate REC procurements for different facility sizes without any clear authorization to do so within the law. ComEd feels it is important to reiterate the long standing principles that previous Commission Orders have approved in regards to how such RFPs should be conducted.

In prior RFPs, a procurement event covered all REC types (Wind, Solar, Other). All eligible bidders were welcomed. The Procurement Administrator (PA) would then select the lowest cost RECs available until the overall REC target was met or the budgeted funds were exhausted. Once the target was met at the lowest cost, the PA would swap out the highest cost REC selected so far that was not needed to meet a legally mandated preference for the lowest price preference REC that was still available. This process would continue (giving equal weight to all mandated preferences) until the mandated preferences were met or the funds were exhausted. In this way, the PA ensures that the overall renewable target is met and costs to the consumer are kept as low as possible while still meeting legislative preferences to the extent possible.

By holding separate procurement events for different sizes or types of facilities, there is no way for the IPA to meet its requirement to obtain the lowest cost RECs. By excluding certain qualified bidders from participating (existing facilities), there is no way for the IPA to obtain the lowest cost RECs.

The IPA believes, without any supporting evidence, that buying RECs from new facilities is better for the market than purchasing from existing facilities. It is unclear how it is good for the market if suppliers can never hope to sell their output to buyers like the IPA unless they are one of the initially chosen suppliers. Even then, once their 5 year contract runs out, these suppliers become one of the second class citizens known as "existing facilities" with little hope of selling more of their product to the IPA.

To maintain consistency with the law, past practice and past commission decisions, ComEd asks that the IPA modify its draft plan to allow all eligible parties to participate in each Supplemental PV RFP that is held in order to ensure the lowest cost possible is achieved.

Sincerely,

A handwritten signature in black ink, reading "David R. Zahakaylo". The signature is written in a cursive style with a long, sweeping tail on the final letter.

David R. Zahakaylo
Director, ComEd Energy Acquisition