



---

---

ILLINOIS POWER AGENCY

**REC Price Model Cost Inputs  
Response to Stakeholder Comments**

**December 19, 2024**

**Background**

On October 31, 2024, the Illinois Power Agency (“Agency”) released a [Request for Stakeholder Feedback on REC Price Model Cost Inputs](#). In that request the Agency presented a proposed approach for collecting Illinois-specific cost data to improve the modeling used to set Renewable Energy Credit (“REC”) prices for the Illinois Shines and Illinois Solar for All programs, along with a series of questions posed to stakeholders to solicit additional feedback and information. The Agency’s proposed approach consisted of two phases. First, an Approved Vendor (“AV”) survey to be issued and responded to in January 2025; and second, the addition of new fields to AV Part II applications starting later in 2025.

Nineteen stakeholders provided [responses](#). The Agency appreciates respondents’ candid feedback on the proposal and associated questions. From this feedback, the Agency was able to make meaningful updates to the proposed approach. **Specifically, the Agency will only collect aggregated data through annual surveys and will not add required project cost fields to the Part II applications for the Illinois Shines and Illinois Solar for All programs.** The updated approach described below will allow the Agency to collect valuable data for the REC Price Model while limiting the time and resources expended by AVs to provide that data. The changes are meant to address stakeholder concerns while maintaining the Agency’s goal of obtaining valuable Illinois-specific project cost information to improve the accuracy of REC Pricing Model outputs.

**Updates to the REC Price Model Cost Input Approach**

Phase One

Stakeholders were generally comfortable with the proposed first phase – conducting a survey in January 2025 that would collect aggregated cost data on projects installed in 2024 and would include projections of costs for projects to be installed in 2025. However, stakeholders expressed concerns about the applicability of data from projects completed in 2024 to future project costs. This could be particularly acute for community solar projects, which, based on stakeholder feedback and the Agency’s review of project application data, typically have longer development timelines compared to distributed generation projects, and which may see project ownership changes during the development process that in turn may affect the availability of data. To address potential variation in project costs due to differing development timelines, the Agency will include questions on the survey to gauge estimates of how costs are expected to change in the near future. The Agency will also conduct research on potential inflation indices to identify best practice options and then will utilize those indices to adjust 2024 cost data to future costs.

## Phase Two

Stakeholder feedback overwhelmingly expressed concern with the potential administrative burden created by adding required cost collection fields to Part II applications, citing various issues such as the lack of systems and processes to track applicable costs at the project level, the extension of the time required to complete an already lengthy Part II application process, and the added burden on smaller developers with already limited back office support staff. The Agency takes the concerns expressed by stakeholders seriously and will therefore change the second phase of the cost collection process. **The Agency is no longer proposing to add new fields to the Part II application, and will instead issue an optional annual survey to program participants similar in scope to the January 2025 survey. This survey will collect only aggregate data, not project-specific data.**

## Confidentiality

Stakeholders raised a variety of concerns about maintaining the confidentiality of the commercially sensitive cost data provided through this process. The Agency believes that these concerns will be significantly mitigated through the collection of aggregate data through optional annual surveys, having decided not to pursue the original proposal to require the collection of project-specific data through the Part II application process. The Agency notes that it has an obligation under Section 1-120 of the IPA Act to provide adequate protection for confidential and proprietary information furnished, delivered, or filed by any person, corporation, or entity. Additionally, the Illinois Freedom of Information Act exempts from disclosure trade secrets and commercial or financial information obtained from a person or business where the trade secrets or commercial or financial information are furnished under a claim that they are proprietary, privileged, or confidential, and that disclosure of the trade secrets or commercial or financial information would cause competitive harm to the person or business, and only insofar as the claim directly applies to the records requested. (5 ILCS 140/7(1)(g)).

In order to facilitate the protection of commercially sensitive information provided through the annual survey, the Agency will include a notification provision in the survey to designate the survey response as confidential. The survey will default to a designation that the information submitted is confidential and proprietary, requiring respondents to deselect that option to remove confidential and protected treatment. The Agency will use information collected through the surveys in the aggregate, as to mitigate the risk that a survey response could be identifiable to any individual respondent when releasing information on final REC prices.

## Input Formats

The Agency asked if stakeholders preferred to provide project cost data in a cost per watt DC or cost per watt AC – the consensus from stakeholders was that cost per watt DC was preferred. Stakeholders also expressed preference for the CREST Cost Categories (Generation Equipment, Balance of Plant, Interconnection, and Development Costs & Fees) rather than the more detailed NREL Cost Categories. The Agency will adopt both preferences when creating the surveys.

## Other Considerations

One party requested specific considerations that would lead to different REC prices for projects in the Equity Eligible Contractor (“EEC”) Category. Section 7.4.6 of the [2024 Long-Term Renewable Resources Procurement Plan](#) states that, “the Agency will maintain REC prices for EEC projects that are equal to prices for the comparable distributed generation or traditional community solar projects (which would recognize variations in project size and geographic location).” That provision applies to REC Prices for the 2025-2026 Program Year. In addition to collecting information on EEC-specific costs on the survey, as part of the development of the 2026 Long-Term Plan

the Agency will provide the opportunity to give feedback on specific challenges faced by Equity Eligible Contractors that may warrant different REC prices. Responses to that feedback opportunity will be taken into consideration by the Agency at that time.

Several stakeholders provided guidance on specific cost inputs. The purpose of this request for feedback was to determine the approach used to collect information. The Agency appreciates the initial input on specific cost inputs but will defer consideration of that feedback to after the January 2025 survey has been completed.

Several stakeholders suggested alternative approaches to collecting data, such as requesting cost data for a sample of projects. The Agency believes that with the move away from requiring cost data in the Part II application, a sampling approach is not needed and that the survey approach being adopted achieves a similar functional result.

### **Next Steps**

The Agency expects to release the REC Pricing Model Cost Input survey on January 10, 2025, with a response due date of January 24, 2025. The survey will be administered through an online form. The Agency will use the survey results to inform the development of proposed REC prices for the 2025-2026 Program Year, targeted for release in mid-February.

The Agency will also assess the survey results as part of the development of the 2026 Long-Term Renewable Resources Procurement Plan that will be released for public comment in August 2025. In that Plan the Agency may propose changes to the structure and methodology for how REC prices are calculated for the Illinois Shines and Illinois Solar for All programs.

The Agency thanks the stakeholders who responded to the request for feedback for the time they put into their thoughtful responses. The Agency hopes that the adjustments the Agency has made to the approach of collecting data for the REC Pricing Model now strikes an appropriate balance between the Agency's desire for additional data and the time and effort that would be required from program participants.