

Legislative Audit Commission

RESOLUTION NO. 153

Presented by Senator Barickman

WHEREAS, The Future Energy Jobs Act was billed as the long-awaited solution to enable Illinois to meet the Renewable Portfolio Standard; and

WHEREAS, The Future Energy Jobs Act provided the Illinois Power Agency with a healthy annual budget of approximately \$230,000,000 per year to implement a plan to meet the Renewable Portfolio Standard target of 25% by 2025; and

WHEREAS, Despite committing approximately \$900,000,000, to procure Renewable Energy Credits through community land rooftop solar, only 7-8% of renewable energy development is under contract today, well short of the mandated requirement of 19% for 2021; and

WHEREAS, Despite an Illinois renewable portfolio standard being in place since 2008, currently only about 2% of Illinois load is covered by renewable energy credit purchases, far short of the current renewable portfolio standard requirement of 16% for 2019; and

WHEREAS, The price for community solar Renewable Energy Credits has been more than 17 times higher than large scale Renewable Energy Credits procured from the competitive marketplace. Developer applications for community solar Renewable Energy Credits were 23 times in excess of the Renewable Energy Credits available; and

WHEREAS, Funds for renewable development under the Future Energy Jobs Act have been exhausted through 2021, with no plans for additional renewable purchases; and

WHEREAS, The Illinois Power Agency has broad authority to administer the program as it deems appropriate; and

WHEREAS, Stakeholders have expressed concerns to the Illinois Power Agency regarding the management of the community and rooftop solar (Adjustable Block) programs; therefore, be it

BE IT RESOLVED, BY THE LEGISLATIVE AUDIT COMMISSION, that the Auditor General is directed to conduct a performance audit of the Illinois renewable portfolio standard and the Illinois Power Agency's management of the Renewable Energy Credit procurement process and Adjustable Block Grant Program; and be it further

RESOLVED, that the performance audit include, but not be limited to, the following determinations:

- (1) A determination of the average price of renewable energy credits under contract entered into by electric utilities in the state since June 1, 2017 for the following:
 - a. Utility scale wind renewable energy credits
 - b. Utility scale solar renewable energy credits
 - c. Brownfield solar renewable energy credits

- d. Community solar renewable energy credits
 - e. Renewable energy credits from distributed solar with a nameplate capacity of no more than 10 kilowatts
 - f. Renewable energy credits from distributed solar with a nameplate capacity of more than 10 kilowatts but no more than 2000 kilowatts
- (2) Whether the Illinois Power Agency followed established rules and regulations during the procurement process;
 - (3) Given that applications exceeded available Renewable Energy Credit awards by more than 20 times, how the Illinois Power Agency administratively determined the value of community solar Renewable Energy Credits;
 - (4) Whether the developers of these community solar facilities are located within or outside of Illinois;
 - (5) If the Illinois Power Agency tracked whether the owners of the community solar facilities have changed ownership or registered in another State since being awarded Renewable Energy Credits under the program;
 - (6) Whether the Illinois Power Agency is able to demonstrate that the funds awarded under the program are being spent efficiently and that the vendors receiving contract awards are being fully vetted;
 - (7) Whether the Illinois Power Agency is maximizing the use of these dollars to increase the Renewable Portfolio Standard for the State of Illinois;
 - (8) What factors the Illinois Power Agency used when selecting winning developers related to community and rooftop solar; and
 - (9) Whether there are any rules in the procurement process that ensure diverse companies are being utilized for solar development projects; and be it further

RESOLVED, that the Illinois Power Agency and any other entity having information relevant to this audit cooperate fully and promptly with the Auditor General's Office in the conduct of this audit; and be it further

RESOLVED, that the Auditor General commence this audit as soon as possible and report his findings and recommendations upon completion in accordance with the provisions of Section 3-14 of the Illinois State Auditing Act.

Adopted this 21st day of July, 2020.

Senator Jason Barickman
Co-Chair, Legislative Audit Commission

Representative Robert Rita
Co-Chair, Legislative Audit Commission