

# Urgency of the Illinois ABP REC Program for the 2022-2023 Delivery Year

The IL ABP REC prices are incredibly lucrative for the 2022-2023 delivery year because they are priced prior to the Federal Inflation Reduction Act, with the expectation that the 26% Tax Credit would decrease to 22% in 2023. As a result, the 2022-2023 delivery year is an exceptionally opportunistic window to apply for Illinois SREC incentives prior to the expected step-down pending in May 2023.

As part of the development of the withdrawn draft Second Revised Plan, the Agency undertook the exercise of updating the REC Pricing Model. Changes from that update, along with modifications approved by the Commission in Docket No. 22-0231, are now included in this 2022 Long-Term Plan.

## KEY CHANGES INCLUDE

- Adjustment of the Federal Investment Tax Credit to 30%
- Adjustments to account for the cost of prevailing wage requirements
- Adjustment to the bonus depreciation value to 80% to reflect the phase out of bonus depreciation by 2026

## RECOMMENDATION

**It is recommended to sign before February 1, 2023 to account for utility interconnection timelines to secure the RECs.**

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