

**EXPANDED CONSUMER PROTECTION WORKING GROUP AGENDA**

**Friday, March 1, 2024**

**Poll Question Series 1:**

Which marketplace participant best describes you?	
Approved Vendor	8 of 27
Designee/Nested Designee	5 of 27
Consumer	0 of 27
Government Agency	9 of 27
Non-Profit Advocacy/Community Group	3 of 27
Prospective Approved Vendor/Designee	0 of 27
Other	2 of 27

TOPIC 1	Exploring current market Lender/Approved Vendor relationships
<b>BACKGROUND</b>	<p>One common model for Distributed Generation (DG) contracts is when the Approved Vendor receives the REC payment from the utility and passes through some or all of the value of the REC payment to the customer. For contracts that include pass-through REC incentive payments, the Consumer Protection Handbook includes additional requirements surrounding timeliness of application submissions and REC payments. Section VI.A.2 of the Handbook explains the following requirements:</p> <ul style="list-style-type: none"> <li>• <i>If applicable, Designees must provide project application materials and necessary information to the Approved Vendor in a timely fashion.</i></li> <li>• <i>The Approved Vendor must submit the invoice for the applicable REC incentive payment in a timely fashion.</i></li> <li>• <i>The Approved Vendor must make the payments to the customer in a timely fashion, consistent with any statements made to the customer about the timing of the payment.</i></li> <li>• <i>The Approved Vendor may not use the customer’s portion of the REC incentive payment to meet other financial obligations of the Approved Vendor.</i></li> </ul> <p>The Program Administrator also understands that Approved Vendors may either serve as a lender or work with a third-party lender to facilitate financing agreements. This Working Group discussed some consumer concerns with repayment of solar loans during a meeting in <a href="#">April 2023</a>. The Agency and Program Administrators are interested in learning more about how loan options are currently communicated to customers, the relationship between Approved Vendors, Designees, and third-party loan providers, and how Approved Vendors are ensuring that the above requirements regarding timing of application submission, curing of application submission errors, and REC payments are honored for customers whose contracts include a pass-through REC payment.</p>

<p><b>ISSUES/ QUESTIONS TO DISCUSS</b></p>	<ul style="list-style-type: none"> <li>• <i>How do Program participants approach discussing options for loans with their potential customers? What information is included in these discussions?</i></li> <li>• <i>Do Program participants have different processes to ensure timely submission and curing of applications for contracts with a pass-through incentive than those without a pass-through payment? If so, how?</i></li> <li>• <i>When are customers generally required to begin making payments on their loans? For example, is the first monthly payment due upon contract signing or is it tied to a specific project stage such as installation completion, energization, or another step?</i> <ul style="list-style-type: none"> <li>• <i>Do Program participants discuss the timing of these payments with the customer?</i></li> </ul> </li> <li>• <i>For Approved Vendors who utilize a third-party lender, are these loans structured such that the customer is expected to direct any pass-through REC incentive amounts to the lender? In these instances, what timelines are customers informed they should expect to receive their REC incentive payments?</i></li> <li>• <i>How do Program participants discuss the issue of a customer potentially qualifying for the federal income tax credit for their financed system?</i></li> <li>• <i>What types of feedback have Program participants and other stakeholders received from consumers regarding their loan structure?</i></li> <li>• <i>What gaps in consumer education surrounding system-related loans do stakeholders commonly observe?</i></li> </ul>
<p><b>MEETING MINUTES</b></p>	<p>Stakeholder feedback included:</p> <ul style="list-style-type: none"> <li>• Participants confirmed the use of a financing model where there is a promotional period (most commonly 12 months) with a low loan payment , and the customer may use a promised REC pass-through payment to pay down the balance by the end of the promotional period. Under this model, the payment amount increases after the promotional period, but does not increase by as much as it would if the customer did not pay down the balance using the REC incentive payment.</li> <li>• Stakeholders noted that sometimes customers will not have received their promised Illinois Shines REC incentive pass-through payment by the end of the lender’s promotion period, and that estimating the timeline for the REC incentive payment can be difficult.</li> <li>• Multiple participants stated that they do not advise customers on the specifics of tax benefits and refer customers to tax professionals for additional information. However, one participant stated that the potential lack of consumer education may come from their companies not being able to advise on these specifics.</li> </ul>

<b>TOPIC 2</b>	<b>Ensuring Installer Designees/Nested Designees obtain required Illinois Commerce Commission certification prior to installing projects in the Program</b>
<b>BACKGROUND</b>	<p>Section 4.D of the Program Guidebook states that all installations of systems to be applied to the Program “must be installed by an entity certified as a Distributed Generation Installer in good standing with the Illinois Commerce Commission.” While Approved Vendors are required to include with their Approved Vendor application proof of their DG Installer Certification, Designees are not currently required to provide that proof at the time of registration. Nevertheless, the Program requires that Designees who register as Installer Designees and who want to install projects intended to be applied to the Program must first be a DG Installer certified by the Illinois Commerce Commission (ICC). More details on this requirement can be found on the <a href="#">ICC’s website</a> (including the requirement for annual reporting and recertification).</p> <p>The Illinois Power Agency and Program Administrator recently conducted an audit of all registered Installer Designees to ensure they were DG Installer certified with the ICC. In the audit, we identified a significant number of registered Designee Installers not listed as DG Installer certified on the ICC’s website who have installed projects submitted to the Program and are investigating whether these entities have installed any projects submitted to the Program. The Program Administrator for Illinois Shines intends to send out Notices of Potential Violation regarding any apparent violations in the coming weeks. In the meantime, the Program Administrator wants to remind Program participants of this requirement and is interested in understanding Approved Vendors’ and Designees’ processes for ensuring Installer Designees and Nested Designees receive the required DG Installer certification from the ICC prior to installing any projects intended to be applied to the Program.</p>
<b>ISSUES/ QUESTIONS TO DISCUSS</b>	<ul style="list-style-type: none"> <li>• <i>When considering onboarding a new Installer Designee or Nested Designee, what steps or processes do Approved Vendors and Designees take concerning the required DG Installer certification?</i></li> <li>• <i>For new Installer Designees and Nested Designees who are not DG Installer certified when onboarded, how do Approved Vendors and Designees ensure they become certified prior to installing their first system intended to be applied to the Illinois Shines program?</i></li> <li>• <i>How are Approved Vendors and Designees ensuring their Installer Designees satisfy the ICC’s annual reporting and recertification requirements (so they may remain eligible to install systems intended to be applied to the Program)?</i></li> </ul>

<b>MEETING MINUTES</b>	Stakeholder feedback included: <ul style="list-style-type: none"><li>• Multiple stakeholders stated that they did require Designees Installers to be ICC DG Installer Certified, but they had different processes and triggers for checking that certification, and some Approved Vendors noted difficulty in gaining transparency into the certification of nested Designees.</li><li>• Multiple participants expressed uncertainty about the extent to which their companies are monitoring their Installer Designees' compliance with the ICC's annual reporting and recertification requirements for DG Installers.</li></ul>
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