



Illinois Shines

Building Our Solar Future

Illinois Shines Program Overview *Part 1*

Presented by Energy Solutions

AGENDA

Illinois Shines Program Overview *Part 1*

1 History of Illinois Shines

2 Introduction to CEJA

3 How Illinois Shines Works

4 Annual Checklist

1. History of Illinois Shines

The Adjustable Block Program (now known as Illinois Shines) was created under The Future Energy Jobs Act of 2016 (FEJA). FEJA is significant in that it followed nearly two years of negotiations between utilities, consumer advocates, and environmental groups and catapulted Illinois' clean energy transition.

Successes

- Incentivized the development of over 25,000 projects between all programs, utility-scale development, etc.
- FEJA helped facilitate the growth of solar in Illinois from 80 MW to 2000 MW
- Over 670 MW of new distributed generation and community solar developed under FEJA

Challenges

- Illinois was still well behind the state-mandated Renewable Energy Requirements
- Illinois Shines funding largely exhausted, due to participation levels and contract payment structure
- Benefits of the clean energy economy weren't being spread equitably across Illinois

2. Introduction to the Climate and Equitable Jobs Act (CEJA)

The Climate and Equitable Jobs Act (CEJA), was passed by the General Assembly and signed into law by Governor Pritzker on September 15, 2021. CEJA includes provisions to phase out carbon emissions from the energy and transportation sectors.



- The program began operating under CEJA in Dec 2021.
- The passage fixed previous funding issues and expanded the Illinois Shines Program.
- The passage of CEJA and expansion of Illinois Shines also led to the development of an updated Long-Term Renewable Resources Procurement Plan (LTRRPP) in 2022. The 2022 LTRRPP outlined further changes to the program.
- Importantly, CEJA moves Illinois to 100 percent carbon-free power by 2045, requiring fivefold growth in the IL market.

Illinois Shines Under FEJA vs. CEJA

FEJA (Public Act 99-0906) Previous Program

3 Project Types

10kW

Small DG

10kW-2MW

Large DG

2MW

Community Solar

CEJA (Public Act 102-0662
Passed September 2021) New Program

6 Project Types

25kW

Small DG

25kW-5MW

Large DG

5MW

Community Solar

<=25kW-5MW

Public Schools

<=10kW-5MW

Community Driven
Community Solar

<=25kW-5MW

Equity Eligible
Contractor

**\$235
million**

RPS Budget
(across all programs
& procurement)

**\$557
million**

RPS Budget
(across all programs
& procurement)

Equity & Prevailing
Wage Requirements

- Prevailing wage is required for projects participating in Illinois Shines (*with some exceptions)
- New Equity Eligible Contractor Block
- New Equity Eligible Workforce Requirements



Knowledge Check!



Q1. What did the passing of CEJA do for Illinois Shines?

- a) Fixed previous funding issues and expanded the program
- b) Created the Illinois Solar for All program
- c) Moved Illinois to 100% carbon-free power by 2080
- d) Created the state's renewable portfolio standard



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Q2. The primary goal of Illinois Shines is to:

- a) Support workforce development in Illinois
- b) Reduce energy use and increase energy efficiency
- c) Support the development of new solar generation in Illinois
- d) Fix previous funding issues under FEJA



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Q3. In general, what is your role as an Approved Vendor in the Illinois Shines program?

- a) Develop renewable projects according to Illinois Shines program guidelines
- b) Receive incentives via REC contracts, which result in monetary savings for the customer
- c) Provide renewable portfolio standards to participating utilities
- d) Both a and b



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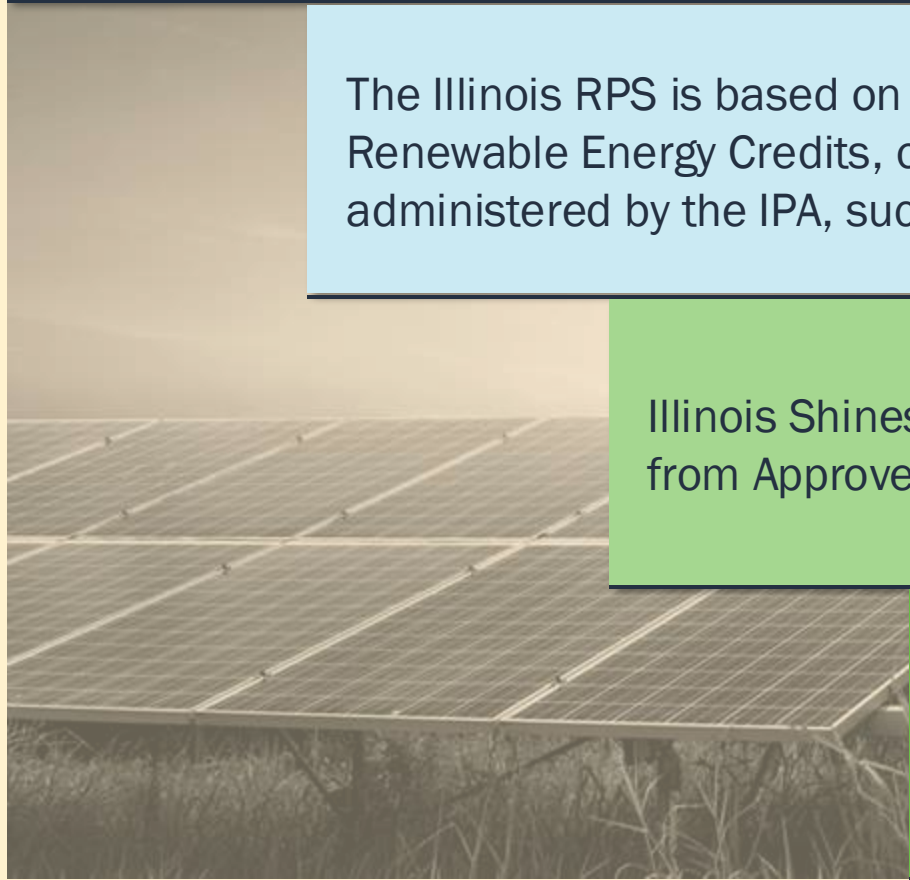
3. How Illinois Shines Works

Illinois utilities are required to demonstrate that renewable sources generate a certain portion of their energy. These state-mandated requirements are known as Renewable Portfolio Standards (RPS).

The Illinois RPS is based on the concept of the purchase and retirement of Renewable Energy Credits, or RECs, by utilities through programs administered by the IPA, such as the Illinois Shines Program.

Illinois Shines has set incentive amounts that are used to purchase RECs from Approved Vendors who develop renewable projects.

The RECs purchased through the Program are used by Illinois utilities to demonstrate that renewable sources generate a portion of their energy and are, therefore, meeting the RPS goals.



What is a REC?



1 REC

=



1 MWh

Illinois Shines is based on the purchase and retirement Renewable Energy Credits (RECs)

A REC is a non-tangible commodity that represents rights to the “greenness” of renewable energy production, including solar energy.

Without the REC, there is no way to track the renewable aspect of energy generation.

RECs are assigned a monetary value to incentivize the development of renewable generation.

Breakdown between REC Buyers (Electric Utilities), Sellers (Approved Vendors), and End-use Customers

REC Prices and Calculations

The IPA sets REC prices each Program Year within each project category. Solar Providers estimate the RECs that an individual project is projected to produce over a period of time, which are disclosed to customers, allowing customers to compare differently structured offers.

Distributed Generation

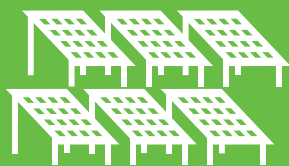
Customers transfer RECs to vendors, and may receive reduced equipment, installation, lease and/or energy costs.

Community Solar

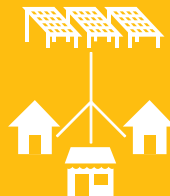
Customers can subscribe to a large solar project, with ability to earn bill credits from Approved Vendors who are paid by utilities for RECs generated.



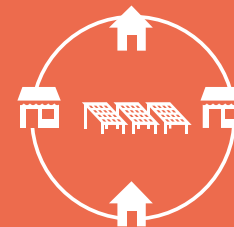
Small DG



Large DG



Traditional
Community Solar



Community Driven
Community Solar



Public Schools



Equity Eligible
Contractor

How do REC incentives work?

Incentives are provided through payments made to Approved Vendors for the Renewable Energy Credits (“RECs”) generated by their customers’ solar systems.

These payments are made through a contract called the REC contract between Illinois electric utility (“Buyer”) and Approved Vendors (“Seller”).

While the incentives are paid to participating Approved Vendors, monetary savings are passed on to customers.

Illinois Power Agency

State Agency in Charge of Program Implementation

Independent public agency tasked with developing and updating the Long-Term Renewable Resources Procurement Plan, which guides the Illinois Shines and Illinois Solar for All programs.

AVs may contact the IPA to:

- Submit an appeal
- Respond to stakeholder feedback requests

Energy Solutions

Illinois Shines Program Administrator

Performs daily administration of Program duties including Illinois Shines project application processing, providing support and resources to Approved Vendors, and providing program reports and announcements.

AVs may contact Energy Solutions to:

- Ask questions about the Program
- Provide additional information on a project application
- Submit required reports/data throughout the program year
- Share Program feedback

4. Annual Checklist

- Approved Vendor Renewal
- Designee Renewal
- Designee Management Plan
- MES Compliance Plan
- MES Compliance Mid-Year Report
- MES Compliance End of Year Report
- Bi-Annual Report
- Annual Report
- Community Solar Subscriber Verification
- Project Inspections





Knowledge Check!



Q4. True or False: Illinois Shines is based on the purchase and retirement of renewable energy credits (RECs).

- a) True
- b) False



Q4. True or False: Illinois Shines is based on the purchase and retirement of renewable energy credits (RECs).

a) True

b) False

Thank you!

Comments or questions?

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