



Illinois Shines Project Application Processes & Portal Deep Dive *Part 1*

Presented by Energy Solutions

REC Contracting



REC Contracting

2019 REC Delivery Contract

2021 15-Year REC Delivery Contract

2021 20-Year REC Delivery Contract

2022 15-Year REC Delivery Contract

2022 20-Year REC Delivery Contract

A project has two contracts: one between the AV and customer and one between the "Seller" of the RECs (AV) and the "Buyer"* of the RECs (the counterparty utility); this contract is called the **REC Contract**, or "Master Renewable Energy Credit Purchase and Sale Agreement".

The REC Contract is executed following the ICC Approval of a batch. This process commences once a project has reached Part I Verification. Approved Vendors have seven business days to execute the REC contract.

*Note: the Buyer/counterparty utility is not always the same as the utility territory in which the system is located.

What is Re-Batching?

- Approved Vendors must participate in re-batching (which is administered by the Program Administrator) to either withhold or re-batch projects (according to preference) in advance of submissions to the ICC for approval.
- Approved Vendors will receive communications about re-batching to their chosen primary email address. It is critical to respond to re-batching requests in a timely manner, since the re-batching period only lasts two business days.
- Once projects are Part I verified, Approved Vendors can withhold a project up to two times from ICC submittal during the re-batching process, which delays contract generation.
- As a best practice, Approved Vendors should **not submit** projects to the Illinois Shines program if they are not prepared to receive a contract. Disciplinary action may result from refusal to sign REC contracts.



What contract documents can I expect to receive from the Illinois Shines Program Administrator?

Master REC Contract & Schedule A

These contracts are received by AVs after Part I Verification. The Master REC Contract details the terms of the agreement with the utility, while the Schedule A details the expected pricing and sizing of the **projects**. There is generally one master contract that governs multiple exhibits and schedules.

Schedule B

This contract is received by the AV after Part II Verification/Energization of the project. The Schedule B details all final pricing and sizing information and allows the contract to enter the invoicing cycle.

Payment Structures per REC Contract

Contract	Delivery Term	Category	Payment Structure
2019 REC Delivery Contract	15 years	Small DG	100% upfront payment at Energization
		Large DG	20% upfront payment at Energization and the remainder ratably over 4 years
		TCS	
2021 15-Year REC Delivery Contract	15 years	Small DG	100% upfront payment at Energization
		Large DG on waitlist	20% upfront payment at Energization and the remainder ratably over 4 years
		Large DG not on waitlist	15% upfront payment at Energization and the remainder ratably over 6 years
		CDCS	
2021 20-Year REC Delivery Contract	20 years	TCS	Pay-as-deliver: <ul style="list-style-type: none"> • If CS (Traditional or on Public Schools) adjust biannually based on subscription info in bi-annual reports • If DG on Public Schools, no biannual adjustment
		DG or CS on Public Schools	
2022 15-Year REC Delivery Contract	15 years	Small DG	100% upfront payment at Energization
		Large DG	15% upfront payment at Energization and the remainder ratably over 6 years
		CDCS	15% upfront payment at Energization and the remainder ratably over 6 years
2022 20-Year REC Delivery Contract	20 years	TCS	Pay-as-deliver: <ul style="list-style-type: none"> • If CS (Traditional or on Public Schools) adjust biannually based on subscription info in bi-annual reports • If DG on Public Schools, no biannual adjustment
		DG or CS on Public Schools	

Under the 2021 and 2022 REC Contracts, Energization deadlines are 18 months from the Trade Date for DG systems, or 24 months from the Trade Date for CS systems.

REC Contracts by Invoice and Payment Dates

Contract	Production of Quarterly Netting Statements	Invoice Due Dates	Payment Due Dates
2019 REC Delivery Contract	June 1 September 1 December 1 March 1	June 10 September 10 December 10 March 10	June 30 September 30 December 31 March 31
2021 and 2022 REC Delivery Contracts	Payment Cycle A		
	January 1 April 1 July 1 October 1	January 10 April 10 July 10 October 10	January 31 April 30 July 31 October 31
	Payment Cycle B		
	February 1 May 1 August 1 November 1	February 10 May 10 August 10 November 10	February 28 May 31 August 31 November 30
	Payment Cycle C		
	March 1 June 1 September 1 December 1	March 10 June 10 September 10 December 10	March 31 June 30 September 30 December 31

The Program Administrator provides invoices to Approved Vendors as a courtesy. Approved Vendors can use the invoices provided to submit to the utility for payment.

The Program Administrator will not send invoices to utilities on the Approved Vendor's behalf. Additionally, Approved Vendors are responsible for reviewing the accuracy of invoices before submitting them to the utilities.

Delivery Obligations

Initial

- Systems must deliver at least one REC from the system to the buyer's PJM-EIS GATS account or M-RETS account within:
 - 90 days of energization for systems with an Actual Nameplate Capacity greater than 5kW.
 - 180 days of energization for systems with an Actual Nameplate Capacity equal to or less than 5kW.

Ongoing

- Systems must deliver RECs according to the delivery schedule in the Schedule B for the life of the contract.
- Expected RECs to be delivered per year is calculated with a degradation factor (0.5%) annually.



Failure to deliver RECs may result in contract removal and forfeiture of collateral.

Thank you!

Comments or questions?

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