



Illinois Shines Ongoing Program Requirements *Part 1*

Presented by Energy Solutions

AGENDA

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1 Annual Reporting & REC Performance Evaluation

2 Minimum Equity Standard Compliance

1. Annual Reporting & REC Performance Evaluation



Annual Reporting & REC Performance Evaluation



On an annual basis, each Approved Vendor with a REC Contract is required to submit an **Annual Report** of the contracts and systems in its portfolio.



Purpose: The Annual Report serves as the basis for verifying that RECs from projects are being delivered to the applicable utility and can be a tool used to determine what actions may be taken by the utilities to enforce the contractual requirements that RECs are delivered.



REC Performance Evaluation occurs three full delivery years after the start of the Delivery Term. The Program Administrator completes the Evaluation using finalized Annual Report data and shares results with the IPA and Utility for further action including acting on any required collateral Drawdowns.

What is Annual Reporting?

On an annual basis, each Approved Vendor is required to submit an Annual Report that covers the contracts and systems in its portfolio, which serves as the basis for verifying that RECs are being delivered as required. The report includes the following information:

Information Required from All AVs	Additional Information Required for CS Projects
<ul style="list-style-type: none">• RECs delivered by each of the systems in the portfolio*• Status of all systems that have been approved, but not yet energized, including any extensions requested and granted*• Energized systems that have not delivered RECs in the year*• Balance of collateral held by each utility for the Approved Vendor's systems• A summary of requests for REC obligation suspensions, reductions, or eliminations, due to force majeure events or other circumstances• Information on consumer complaints received• Other information related to ongoing Program participation, including use of graduates of job training programs and other information related to increasing the diversity of the solar workforce	<ul style="list-style-type: none">• Percentage of each system subscribed on a capacity basis*• The number and type of subscribers (e.g., residential, small commercial, large commercial/ industrial), including capacity allocated to each type*• Subscriber turn-over rates* <div data-bbox="1345 1058 2390 1250" style="border: 1px solid black; padding: 10px; margin-top: 20px;"><p>*These items will be provided in a report format by the Program Administrator to the Approved Vendor to review and confirm their accuracy</p></div>

Who is required to submit an Annual Report?

- All Approved Vendors will be invited to respond to the Annual Report. Submission of the REC Annual Report is a requirement of the REC Contract, and therefore, if an Approved Vendor does not have an active REC Contract they are not required to submit an Annual Report.
- If an Approved Vendor *does* have an active REC Contract, non-submission of the Annual Report by the deadline is an Event of Default, which may result in removal of all projects from the contract, return of any incentive payments received, and may also result in disciplinary action against the Approved Vendor

Approved Vendors will receive an email at the end of the given Program Year inviting them to respond to the Annual Report, which will include:

- Link to Approved Vendor Guide
- Link to AV SharePoint folder
- Link to Annual Report Response Form

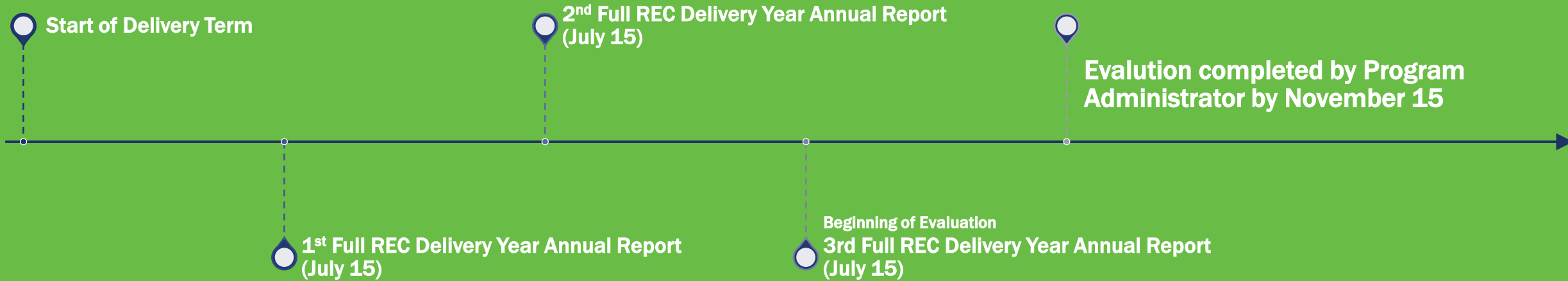
The Annual Report response period **begins one month after the end of a given Program Year** and lasts two weeks with a cure period beginning after that.

What is the timeline for submitting Annual Reports?

July 1	Annual Report Response Period begins. Approved Vendors will have access to review reports on SharePoint and submit Annual Report responses. Non-submission of the Annual Report is an event of default under the REC contract.
July 17	Annual Report Response Period ends. This is the deadline to submit Annual Report responses. Not filing an Annual Report by the deadline may jeopardize an Approved Vendor's standing in the Program.
July 18	Annual Report Cure Period begins. Program Administrator will contact Approved Vendors to cure any report discrepancies. Annual Reports that were not submitted during the preceding response period will not be accepted during this time. The cure period is limited to the curing of issues identified in already submitted Annual Reports.
October 2	Last day for Program Administrator to inform Approved Vendors of discrepancies.
October 13	Annual Reports are finalized. No modifications to submissions after this date.

These dates are for the 2023-24 Program Year, but future Program Years will likely have similar dates

What is the timeline for REC Performance Evaluation?



REC Performance Evaluation occurs three full delivery years after the start of the Delivery Term. For this evaluation, the Program Administrator compares a three-year average of actual REC Deliveries for each Designated System under a contract to an expected value for REC delivery in the most recent delivery year. The Program Administrator completes the evaluation using finalized Annual Report data and shares the results with the IPA and Buyer for further action including acting on any required Collateral Drawdowns.

What are Drawdowns?

A **Drawdown** of collateral is required when the calculated three-year average of REC Deliveries is lower than the expected value indicated on the system's Schedule B, which would be considered a **REC Deficit**. One of two outcomes will occur should there be a **REC Deficit**, and therefore a collateral drawdown:

- If the Drawdown amount is less than \$5,000, no Drawdown occurs. The Program Administrator will track the Drawdown amount and it will be added to the Drawdown amount for the next year.
- If the Drawdown is \$5,000 or more, the Contracting Utility will notify the Approved Vendor of the Drawdown amount. The Contracting Utility will then draw upon the collateral balance (Performance Assurance) in the amount of the Drawdown.

Within 90 days after any collateral draw, the Approved Vendor will be required to post additional collateral to “top up” its total collateral, to equal 5% of total remaining contract value.





Knowledge Check!



Q1. What is the purpose of the Annual Report?

- a. To allow Approved Vendors to get approval for usage of the current year's new solar technology
- b. To permit end-use customers to view the money they save by participating in the Program
- c. To verify that REC deliveries and project performance is accurate and to determine what actions may be taken by the utilities to enforce proper REC delivery
- d. To allow Approved Vendors to report on energy usage from energized projects



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Q2. True or false: All Approved Vendors are required to submit an Annual Report.



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False

[Submission of the REC Annual Report is a requirement of the REC Contract. Therefore, if an Approved Vendor does not have an active REC Contract they are not required to submit an Annual Report]



Q3. The Annual Report does not need to include what information?

- a. Number of RECs delivered by each system in the portfolio
- b. Energized systems that have not delivered RECs in the year
- c. Balance of collateral held by each utility
- d. Brand names of the solar panels used in each energized system



Q3. The Annual Report does not need to include what information?

- a. Number of RECs delivered by each system in the portfolio
- b. Energized systems that have not delivered RECs in the year
- c. Balance of collateral held by each utility
- d. Brand names of the solar panels used in each energized system

2. Minimum Equity Standard Compliance



Minimum Equity Standard

These dates are for the 2023-24 Program Year, but future Program Years will likely have similar dates

June 1, 2023	Deadline for AV Submission of 2023 Compliance Plan
Dec 31, 2023	Mid-Year Reports Due
June 1, 2024	Deadline for AV Submission of next year's Compliance Plan
July 24, 2024	End of Year Report for PY 2023-24 Due, showing compliance

Minimum Equity Standard (MES): 10% of the AV or Designee's project workforce (the number of staff working on Illinois Shines projects) must be Equity Eligible Persons (EEPs) with this percentage incrementally escalating to 30% by 2030.

To ensure AVs and Designees comply with the MES, annual Compliance Plans, Mid-Year Reports, and End of Year Reports are required from all participating entities. MES Compliance Plans must provide a statement of intent to comply with the MES, current workforce demographic information, and outreach plan used for hiring Equity Eligible Persons, among other criteria. End of Year Reports will be an opportunity for AVs/Designees to prove to the Program Administrator that they met the requirement and have achieved 10% of their project workforce being Equity Eligible Persons.

MES Compliance Plan Requirements

MES Compliance Plans must include:

1. A statement of intent to comply for the given Program Year and hire a diverse project workforce, with a narrative description of how the applicant will meet these commitments.
2. Projected number of workers and the demographic breakdown by race, gender, and participation in job training or workforce development programs, or other means of compliance with the standard for Equity Eligible Persons.
3. Plans for the use of Equity Eligible Contractors, if applicable.
4. Applicant classification (i.e., Minority-owned, Woman-owned, Disabled-owned, Veteran-owned, Small Business, etc.), if applicable.
5. Communication plan for local outreach to increase the utilization of Equity Eligible Persons and Equity Eligible Contractors.

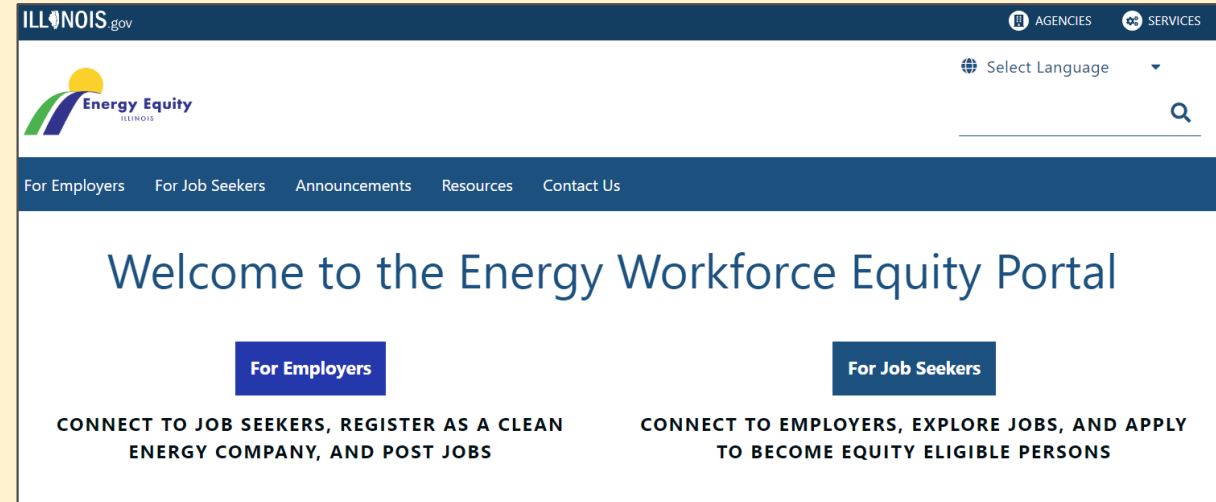
Energy Workforce Equity Portal

<https://energyequity.illinois.gov/>

Managed by the IPA and designed to help connect clean energy companies with Equity Eligible Persons (EEP) looking to work in the clean energy sector in Illinois

The Energy Workforce Equity Portal can be used in two ways:

- **For Employers:**
 - For hiring EEPs to meet the MES
 - Post job opportunities accessible to EEPs
- **For Job Seekers:**
 - For applying to jobs as an EEP
 - Register as an EEP and apply to jobs with AVs





Knowledge Check!



Q4. For Program Year 2023-24, what is the main requirement for meeting the Minimum Equity Standard (MES)?

- a. 10% of the Approved Vendor or Designee's project workforce must be Equity Eligible Persons with this percentage incrementally escalating to 30% by 2030**
- b. 20% of the Approved Vendor's workforce must provide documentation that they are Equity Eligible Persons**
- c. Each member of the Approved Vendor's workforce must complete an Equity Eligible Persons compliance training**
- d. 15% of the Approved Vendor's workforce must contribute to an outreach plan that will outline how the Approved Vendor will hire Equity Eligible Persons**



Q4. For Program Year 2023-24, what is the main requirement for meeting the Minimum Equity Standard (MES)?

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- b. 20% of the Approved Vendor's workforce must provide documentation that they are Equity Eligible Persons
- c. Each member of the Approved Vendor's workforce must complete an Equity Eligible Persons compliance training
- d. 15% of the Approved Vendor's workforce must contribute to an outreach plan that will outline how the Approved Vendor will hire Equity Eligible Persons



Q5. How can the Energy Workforce Equity Portal be used?

- a. To create an MES compliance report
- b. To hire Equity Eligible Persons to meet the MES
- c. To apply to jobs as an Equity Eligible Person
- d. Both B and C



Q5. How can the Energy Workforce Equity Portal be used?

- a. To create an MES compliance report
- b. To hire Equity Eligible Persons to meet the MES
- c. To apply to jobs as an Equity Eligible Person
- d. Both B and C

Thank you!

Comments or questions?

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