



Illinois Shines

Building Our Solar Future

REC Contracting and Re-Batching

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REC Contracting

REC CONTRACT



Approved Vendor
+
Contracting Utility

Master Renewable Energy Credit
Purchase and Sale Agreement (REC
Contract)
15-year and 20-year

AV = “Seller” (may not be a designee)
Contracting Utility = “Buyer”

The Buyer may or may not be the
same as the interconnecting utility

REC Contracting



PA submits batches for approval

After Part I verification



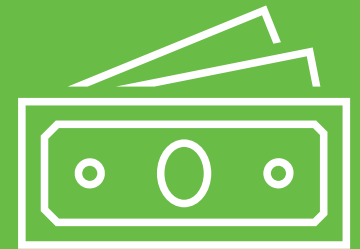
ICC approves batches

“Trade Date”



Contract execution

Must sign within 7 days



Collateral due

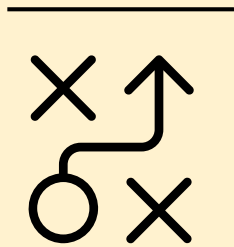
Due 30 days from Trade Date

Batching and Re-Batching



Re-batching email

— ~2.5 Business Days —



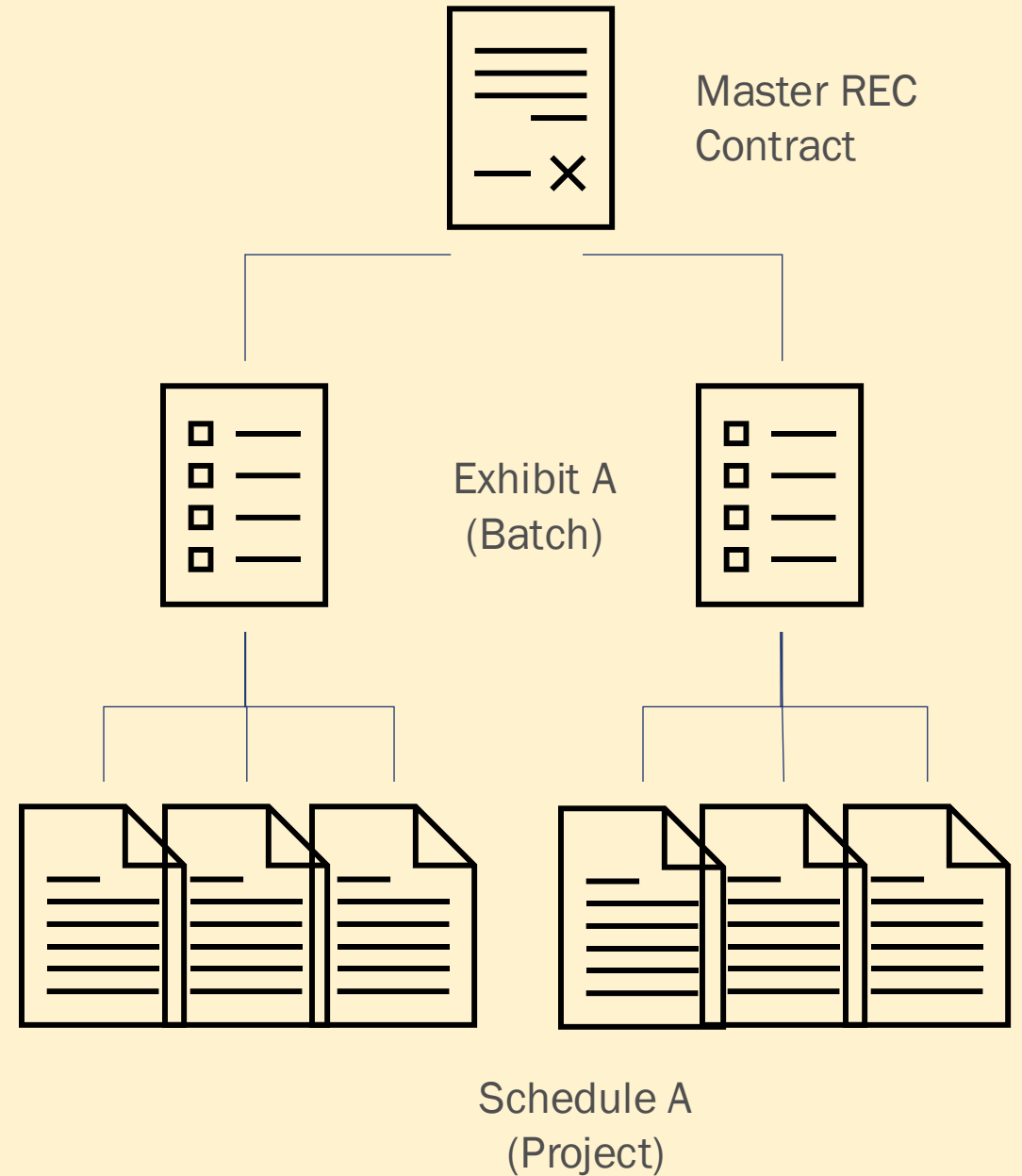
Withhold or customize

- Re-batching is completed using an Excel template in SharePoint
- Withholding a project keeps it in verified status but, it is not submitted to the ICC (skips a cycle)
- A project can be withheld twice
- **As a best practice**, AVs should not submit projects to the program if they aren't ready to receive a REC contract.

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

Master REC Contract & Schedule A

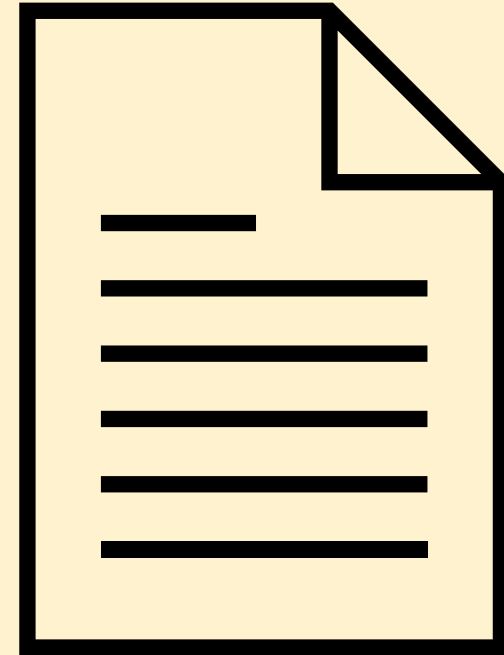
These contracts are received by AVs after Part I Verification **and ICC Approval**. The Master REC Contract details the terms of the agreement with the utility, while the Schedule A details the expected pricing and sizing of the **projects**. There is generally one master contract that governs multiple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



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

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.



Schedule B
(Project)

Payment Structures per REC Contract

| Contract | Delivery Term | Category | Payment Structure |
|---|---------------|----------------------------|--|
| 2022 & 2024 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 & 2024 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 information in bi-annual reports • If DG on Public Schools, no biannual adjustment |
| | | DG or CS on Public Schools | |

- Under the 2021, 2022 and 2024 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 Invoice and Payment Dates

| Contract | Production of Quarterly Netting Statements | Invoice Due Dates | Payment Due Dates |
|--|--|---|--|
| 2021, 2022 and 2024 15-year 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 |

2019 Contract not represented in this table

REC Contracts Invoice and Payment Dates

| Contract | Energization Deadline | Production of Quarterly Netting Statements | Invoice Due Dates | Payment Due Dates |
|---|--|---|---|---|
| 2022 and 2024 20-year REC Delivery Contracts | | Payment Cycle | | |
| | November 30 February 28* May 31 August 31 | January 1 April 1 July 1 October 1 | January 10 April 10 July 10 October 10 | January 31 April 30 July 31 October 31 |

*February 29 on Leap Years

Invoicing Procedures

- 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

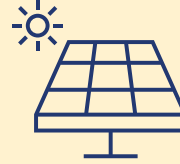
- Systems must deliver RECs according to the delivery schedule in the Schedule B for the life of the contract.



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

REC Transfer Date

The program recognizes REC deliveries based on Transfer Date and not when the REC was generated.



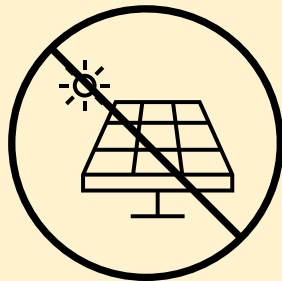
Generation or Vintage date: When the REC was generated.



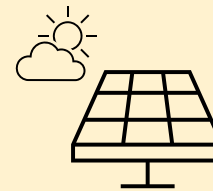
Transfer date: When the REC is recorded in the registry (GATS or M-RETS)

Example: A REC is generated in May 2024 (2023-24 delivery year) but is not transferred until June 2024 (2024-25 delivery year). In this case, the REC counts for the 2024-25 delivery year because that's when it was *transferred* even though it was *generated* in the previous delivery year.

Not Meeting REC Delivery Obligations



Failure to deliver/transfer RECs may result in removal and forfeiture of collateral



Under-delivery of RECs will result in a drawdown of collateral. For more information about drawdowns, see this [video](#).

Thank you for watching!

For questions or assistance:

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