Introduction to

Illinois Shines

Solar Basics & More















About Illinois Shines

Illinois Shines, statutorily known as the Adjustable Block Program, is a solar incentive program managed by the Illinois Power Agency that supports the development of solar distributed generation projects hosted directly on a property, or participation as a subscriber to a Community Solar project. Illinois Shines was established by the Future Energy Jobs Act (FEJA), passed in 2016 by the Illinois legislature following significant collaboration and negotiation between energy companies, environmental groups, and consumer advocates. The Act mandated higher renewable energy targets in the state's Renewable Portfolio Standard, ultimately requiring 100 percent use of clean energy sources in Illinois by 2050 and containing provisions to make solar energy more available to low- and moderate-income communities. On September 15, 2021, Governor Pritzker signed the Climate and Equitable Jobs Act (Public Act 102-0662), or CEJA, which included significant expansion of the Program, reinforced the Program's consumer protection requirements, included prevailing wage requirements, and incorporated policies to ensure an equitable transition to a clean energy future.



About the Illinois Power Agency

The Illinois Power Agency was established in 2007 by Public Act 95-0481, and its goals and objectives include developing electricity procurement plans, conducting competitive procurement processes to procure the supply resources identified in the procurement plans, developing and implementing a Zero Emission Standard Procurement Plan, and developing a Long-Term Renewable Resources Procurement Plan, including the implementation of two state-administered solar incentive programs: Illinois Shines and Illinois Solar for All.







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This introduction to Illinois Shines is designed to support customers considering going solar. It provides information about solar power, and explains some of the specific benefits of going solar through Illinois Shines.

Benefits of Solar

More consumers, businesses, and communities are choosing solar because of its many benefits:

Financial Benefits

As solar technology costs decrease and incentives help build a solar market and increase supply, customers may be able to lower utility bills by generating their own electricity or subscribing to a Community Solar project.

Environmental Impact

Replacing fossil fuels with solar energy to generate electricity reduces air pollution, helps fight climate change, and contributes to a healthy environment. Solar power, generated

from a clean and renewable supply of sunlight, helps reduce demand on traditional power plants, which often use coal or natural gas. Relying less on grid supplied energy and thus using less fossil fueled power reduces harmful health impacts and slows the effects of climate change.

Economic Growth

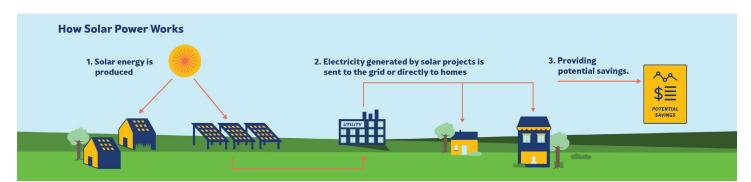
Programs like Illinois Shines create local jobs and economic growth. Hundreds of solar companies operating in the state help build, sell, install, and service solar systems for customers, generating enormous economic activity. In addition, the passage of the Climate and Equitable Jobs Act helps create a diverse clean energy workforce and equitable community benefits, further feeding the state's economic engine so that everyone can share in the benefits of a clean energy economy.

Illinois Shines makes "going solar" more affordable for more people across Illinois. With valuable incentives, step-by-step guidance, important consumer protection oversight, and an emphasis on equity, Illinois Shines helps everyone in Illinois be a part of the clean energy future.

How Does Solar Work?

Solar power is produced when photovoltaic (PV) solar panels create energy from sunlight. Panels are installed and positioned to capture sunlight, which is absorbed by PV cells and generate electrical charges to create electricity. A group of solar panels, or array, can be connected in different sizes to help meet the energy needs of individual buildings, or communities of subscribers. Electricity generated from solar panels can be used immediately and/or stored on-site with batteries, as with Distributed Generation, or generated remotely and transmitted to the electrical grid, as with Community Solar.

In either model, the electricity produced helps reduce reliance on fossil fueled power plants. Solar power is a source of clean, abundant, and renewable energy.





How Does Illinois Shines Provide Incentives?

Illinois Shines provides incentives for solar projects through the purchase of Renewable Energy Credits, or RECs, from Distributed Generation and Community Solar projects. RECs are widely used in energy markets and represent the environmental value of energy generated by renewable sources, including solar. A REC is created when one MWh of renewable energy is produced by a solar system.

How does a customer participating in Illinois Shines benefit from REC incentives?

- Each Program Year, the IPA sets a dollar value for RECs generated from solar projects that participate in Illinois Shines.
- Solar vendors calculate the estimated RECs that an individual project will produce over a period of 15 or 20 years.
- With Illinois Shines, Distributed Generation customers agree to transfer ownership of RECs to their solar vendor, who then receives payment for them from electric utilities. Solar vendors may pass the value of these payments to the customer in the form of reduced purchase prices, installation costs, lease payments, or other methods agreed upon in a contract. Solar vendors will disclose the Illinois Shines REC incentive payment on the Disclosure Form. Customers may use the Disclosure Form to compare offers from different vendors and select the offer that best meets their needs.
- With Illinois Shines, customers who don't wish to or can't install solar directly on their property can subscribe to a large solar project called a Community Solar project. Approved Vendors that develop these large projects get paid for the large amount of RECs the projects produce, then may pass on that value to the customers who subscribe to these projects.

In addition to Illinois Shines, customers may consider other programs and options that may meet their needs, including:

Illinois Solar for All (ILSFA)	ILSFA is a State-administered solar incentive program (separate from Illinois Shines) for income-eligible customers, as well as for non-profits and public facilities. Customers may participate in either Illinois Shines or Illinois Solar for All, but not both. www.illinoissfa.com
Low Income Home Energy Assistance Program (LIHEAP)	The Low Income Home Energy Assistance Program helps keep families safe and healthy through initiatives that assist families with energy costs. LIHEAP provides federally funded assistance to reduce the costs associated with home energy bills, energy crises, weatherization, and minor energy-related home repairs. www.acf.hhs.gov/ocs/programs/liheap
Utility Rebates	ComEd and Ameren offer rebates to qualifying Distributed Generation customers. www.comed.com/SmartEnergy/MyGreenPowerConnection/Pages/SolarRebates.aspx www.ameren.com/illinois/residential/supply-choice/renewables/rebates

Participating in Illinois Shines doesn't prevent you from pursuing other solar financial incentives and tax credits that may be available.





Illinois Shines Project Types

Illinois Shines supports solar energy across two main project types:

Distributed Generation (DG) in which photovoltaic solar panels are installed directly on the roof or land of a home, school, house of worship, business, or other customer site; or Community Solar (CS) in which large, centralized solar projects provide solar bill credits to subscribers who don't have access to their own panels. This is a great option for renters or homeowners for whom installing solar panels isn't practical or cost-effective.

How Can I Participate in Illinois Shines?

Across the Program's Distributed Generation and Community Solar project types, Illinois Shines currently supports six project categories:



Small Distributed Generation (DG)



Community-Driven Community Solar (CDCS)



Large Distributed Generation (DG)



Public Schools (either DG or CS)





(TCS)

Equity Eligible Contractor (EEC) (either DG or CS)









Distributed Generation

Distributed Generation (DG) is a system located on-site, either on a roof or mounted on the ground, that generates electricity at or near where it will be used. Distributed Generation systems are sometimes described as sitting "behind" a customer's electrical meter. Any excess power produced by the system can be stored on-site with batteries, or it can be sent to the electric grid. In cases where excess power is sent to the grid, customers may receive net metering credits on their utility bill.

Customers may choose Distributed Generation for positive financial or environmental benefits or other reasons. Systems can range from small residential or business installations to large industrial arrays. There are many options for building and financing a DG system. There are important factors to consider as you are deciding what may be right for you.



- Your Electric Bill Solar can help you lower your overall energy bill. The size of your system and whether you own it, lease it, or use a Power Purchase Agreement can affect savings in the short and long-term. Customers will still receive electricity bills, and especially in winter, will likely still be paying for grid power. Solar can defray electricity costs greatly, but never bring costs to zero.
- How Long Will You Be There? Consider how long you intend to be in or own your home, school, or business when calculating the economic opportunity and any contractual commitments of the system or financing options. The terms of a contract or loan commitment are important. Projects submitted to the Program are expected to deliver RECs for 15-20 years.
- **Rooftop or Ground Mount?** Whether your DG system is rooftop or ground mounted may be dictated by your preferences, roof and terrain conditions, permitting, aesthetics, and costs.
- Rooftop systems can be more challenging to install and repair and may affect your roof warranty. Rooftop panels may not be viable depending on your roof condition or materials, timeline for roof replacement, and the angle and direction your roof faces or the shading it receives. But rooftop panels may actually protect your roof from some weather conditions, save space, and typically cost less.
- Ground mount systems can be more expensive to install, can take up more space, create property care challenges, and can potentially be accessed or disturbed by others. But they may be more effective at capturing sunlight, can be easier to expand and to maintain, and generally offer better performance due to better airflow.



Other Considerations: Storage

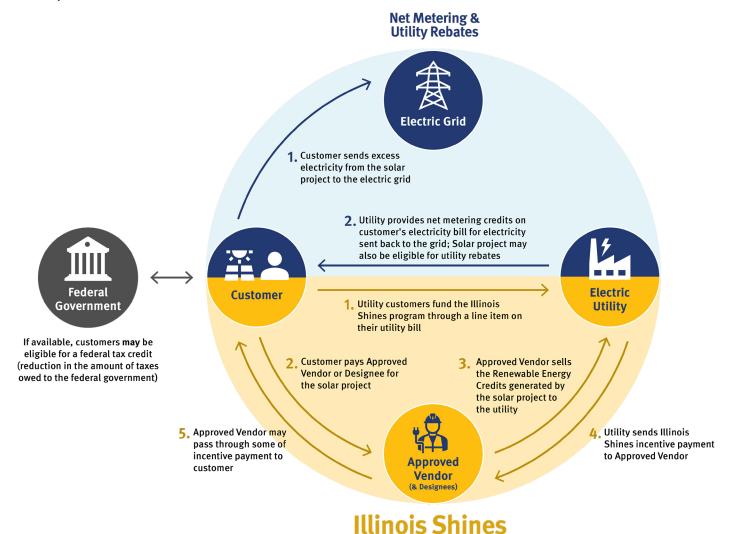
A Distributed Generation system generates electricity that is used directly by the site. Since the sun isn't always shining, consumers may choose to install a battery storage component that stores electricity for later use. Batteries make it possible for your solar project to provide emergency backup power in the case of blackouts. Batteries also offer longer term savings but do require additional analysis and cost.





How Illinois Shines Projects Produce REC Incentives, and Other, Separate Consumer **Rebate and Credit Opportunities**

This graphic illustrates several important processes. The yellow section demonstrates how Illinois Shines works, from Program funding, to project installation and REC generation, to invoicing utilities, and distribution of incentives. The blue section demonstrates customer opportunities for net metering and utility rebates, outside of the Illinois Shines program, and the gray section describes additional federal tax credit opportunities that may be available.







Financing Options

If you decide to install solar on-site, there are multiple ways to finance Distributed Generation solar systems, including three primary financial and contract structures. The different models impact the system's ownership, maintenance plan, overall costs, and more.



System Purchase

Customers buy the system, either through an upfront payment or a loan. Ownership includes all the financial benefits that accompany a system including net metering credits, which are financial credits that can be earned when a system generates more electricity than it uses, as well as all the responsibilities, such as maintaining and repairing the system, and risks of damage or destruction. Sellers may offer warranties covering repair of system components. Federal tax credits may be available for system owners to claim. Loans may be traditional home equity loans, special solar loans issued by banks or other institutions, or provided by some solar installers.



Power Purchase Agreement (PPA)

Customers generally pay no or low upfront costs, and then pay monthly for the electricity generated by the system. A PPA may yield immediate savings if the price the customer pays for the electricity from the solar system is less than they would have paid to buy the electricity from the utility. Keep in mind, that the amount paid per kilowatt hour with a PPA may change over time. With a PPA, a customer cannot claim Federal tax credits if available, but still receives net metering credits. The project developer installs the system and then owns and operates the system on the property across the duration of the PPA.



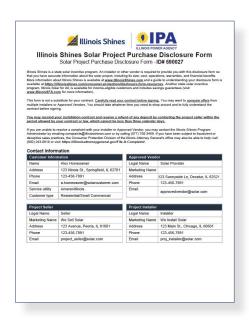
Lease

Customers make monthly payments during the term of the contract to lease the system and receive the energy produced by it. There may be no upfront cost, allowing customers to save immediately if the cost of the lease is less than the cost of purchasing that amount of electricity from the utility. Keep in mind, lease payments may change over time. With a lease, a customer cannot claim Federal tax credits if available, but still receives net metering credits. The solar leasing company installs and owns the system on the property.

Distributed Generation Disclosure Forms

For Illinois Shines Distributed Generation projects, vendors are required to present a Disclosure Form to customers which includes overall contract costs, deposits and payments that are due (related to installation and maintenance), how much of the Illinois Shines incentive payment the vendor will be passing on to the consumer, system design specifications, estimated installation start and completion dates, project efficiency levels, terms for project operations, maintenance, warranties and guarantees, property transfer requirements, estimates of the value of electricity and savings the system will produce, and additional information.

Depending on the type of contract you're considering and the vendors you are speaking with, overall costs and net savings may vary. The Disclosure Form provides a standardized format that makes it easier for you to make a comparison across vendors. A dynamic Disclosure Form "Deep Dive" resource at the Program website allows customers to preview and understand the different parts of each Disclosure Form type.







Questions To Ask When Considering Distributed Generation

With so much to consider, it's important to ask Distributed Generation solar vendors a variety of questions. Here is a list of questions you may want to pose as you compare vendors:

☐ REC INCENTIVE PASSTHROUGHS TO CUSTOMERS	Will the Approved Vendor directly or indirectly pass through value from the Illinois Shines incentive to me, such as through reduced costs?
□ BUDGET AND CONTRACT TERMS	What is the total project budget, including all costs, incentives, contractual commitments, and payment terms?
□ EXPERIENCE AND REFERENCES	What similar projects has your company installed for customers like me?
□ PRODUCTS USED	What solar panels and inverters does your company use?
☐ PERMITTING AND APPLICATIONS	Who will secure the necessary permits and submit the net metering and Program applications?
□ PANEL INSTALLATION	Who performs the installation? How long will it take? What parts of my home will installers need access to?
□ ENERGY STORAGE	Will the system use a battery storage component? If so, are there added costs?
☐ SYSTEM PERFORMANCE	What performance warranties and system insurance are included?
□ SUPPORT AND MAINTENANCE	What support, maintenance, and repair services are offered by the provider? Is removal or reinstallation provided if the roof needs replacement? Is your system under warranty?
☐ BUILDING TRANSFER	What happens to the system if you move?
□ CONTRACT ASSIGNMENT	Can the company sell your contract? What if the solar provider goes out of business?







Great! Once you've thought through these questions and decide to install solar, you're ready to move forward with a Distributed Generation project through Illinois Shines. What are the major steps?



1. Review & Sign Disclosure Form & Customer Contract

Your Approved Vendor or its Designee must give you a copy of the Illinois Shines informational brochure and the standard Disclosure Form. Once you have signed the Disclosure Form, you can then sign your Installation Contract. It's important to carefully review and understand these documents before you sign them.

Your Approved Vendor cannot begin the process of applying for your solar project to be part of the Illinois Shines program until you sign the Disclosure Form.



2. "Part I" Application Submission & Review

The Approved Vendor completes an initial "Part I" application for your solar project to be part of the Illinois Shines program. The Approved Vendor groups your solar project with other projects and submits them as a "batch" to the Program Administrator, who reviews and verifies the applications.



3. Commission Review

The Program Administrator sends batches of verified applications to the Illinois Commerce Commission for approval. The Commission will review the applications and approve the corresponding Renewable Energy Credit (REC) Contracts between your Approved Vendor and the Contracting Utility. The Commission meets approximately every 2 weeks and the applications must be submitted 8 business days prior to a Commission meeting in order to be considered.



4. REC Contract Execution

Within 1-2 weeks of approval by the Commission, the Contracting Utility signs the contract and sends it to your Approved Vendor, which then signs the contract within 7 business days. Under the REC Contract, your Approved Vendor sells the RECs produced by your solar project to the Contracting Utility.



5. Installation of Your Solar Project

Your Approved Vendor or its Designee installs your solar project! They will also work with your Service Utility to connect your project to the electricity grid and to get it up and running. The timing for your solar project's installation will depend on the installer's schedule and the size of your project.



6. "Part II" Application Submission & Review

This includes final details and documentation about your solar project. The Program Administrator may need a few months to review and approve the second application. If there are any problems with the application, the Approved Vendor has 14 days to correct the issue. Your Approved Vendor has up to 18 months after approval of the "Part I" application and the REC contract to actually install the project and get it running. Your Approved Vendor cannot submit the final "Part II" application until your solar project is installed and up and running.



7. Contracting Utility Pays Approved Vendor for RECs

The Approved Vendor sends an invoice to the Contracting Utility. For projects 25 kW in size or smaller, the Contracting Utility provides a lump sum payment for the RECs that your project will generate over the next 15 years. Depending on your Installation Contract with your Approved Vendor, a portion of this payment may be passed on to you, or the value of the payment may already be passed through in decreased project costs.

Approved Vendors send invoices to the Contracting Utilities monthly. The Contracting Utility has 1 month to pay an invoice after receipt. Any pass-through payment to you would be based on the terms of your Installation Contract.





Community Solar

Community Solar (CS) is a large solar project in a specific utility territory shared by multiple subscribers who receive credits on their utility bills for their share of power generated. Community Solar allows individuals, businesses, schools, and other customers to access clean solar power when it is impractical, too expensive, or otherwise unfeasible to install solar panels on their property. With Community Solar, nothing changes about the electricity flowing into your house from the utility grid, but you earn monetary credits from the project that offset the cost of your electricity bill. You are also supporting the development of clean, renewable energy in Illinois.

In Illinois Shines, CS projects include Traditional Community Solar projects (where the solar project may not be located in or have connections with the subscribers' community) and Community-Driven Community Solar (CDCS), (projects sited directly in and required to provide more direct and tangible benefits to, and involvement of, the local community). Benefits of CDCS projects include community ownership and wealth-building, additional direct and indirect community benefits, and meaningful project involvement and connection and engagement from community members, nonprofit organizations, or public entities.

Financial Overview

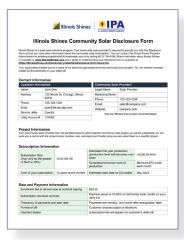
When you subscribe to a Community Solar project, you'll receive monetary credits on your electric bill for your portion of the energy produced by the project. Your electric bill will be credited for your portion of the Community Solar project's energy production, although you may have to pay separately for your subscription. These sample Electric Utility and Community Solar Bills display the Community Solar bill credits earned (based on the number of kilowatt hours of electricity used by your home multiplied by the cost per kilowatt hour), and how they are applied to each bill.







In this example, your original electric bill was \$99. With Community Solar (CS), you received \$49 in bill credits, and your subscription cost is \$41.65. Your new electric bill has a \$5 Supply charge (your \$54 usage charge minus \$49 in bill credits) and delivery, other taxes and fees. With your CS subscription and revised electric bill, your total is \$91.65 (\$50 to the utility and \$41.65 to the CS provider), as compared to the \$99 of your "Before" electric bill. In some cases in Illinois, your utility electric bill and your Community Solar fee may be combined into a single bill.



Community Solar Disclosure Forms

To support customers in their decision, Community Solar vendors must give every customer a standard Disclosure Form, which the customer must sign before signing the subscription contract. The Disclosure Form includes subscription specifications including all fees, estimated savings, size of the subscription, and additional information to help the customer make an informed decision. A dynamic Disclosure Form "Deep Dive" resource at the Program website allows customers to preview and understand the different parts of each Disclosure Form type.





Questions To Ask When **Considering Community Solar**

It's important to ask Community Solar subscription providers a variety of questions. Here is a list of questions you may want to pose as you compare vendors for your subscription:

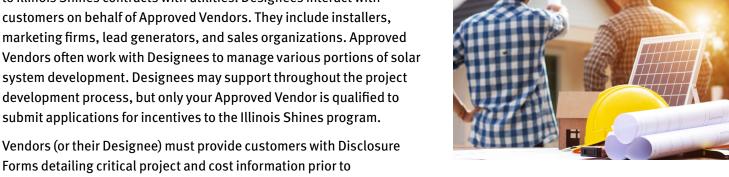
□ ELECTRIC SUPPLIER	Does your subscription require you to sign up to receive electricity from a new supplier? If so, what will your new electricity rate be?
□ CONTRACT LENGTH	How long is the contract term for the subscription?
☐ SUBSCRIBER SHARE AND REFERENCES	Are you paying for a subscriber share of particular panels, and if so, are upfront payments required? If you're taking out a loan to make the payment, what are the loan terms, and how will they impact any projected cost savings?
☐ SUBSCRIPTION RATE BASIS	If your monthly fee is a price per kilowatt-hour basis, how does it compare to the existing rate you pay for electricity?
☐ FEE VARIABILITY	Can maintenance fees change over the contract term? Does your contract include an escalation clause that increases the amounts of payments over time?
☐ TERMINATION FEES	Will you incur a fee if you wish to leave the contract early, including due to relocation?
□ PAYMENT REQUIREMENTS	Are you required to enroll in electronic billing that requires automatic payments, or are other billing and payment methods available?
□ ELECTRICITY USAGE	What is the size of your subscription or share of the community solar project? Is this the right amount, given how much electricity you typically use? If your contract provides more bill credits than you would use over the course of a year, you may end up paying for credits on your bill that you don't actually use.
☐ ESTIMATED SAVINGS	Will you save more through community solar bill credits than you will pay in subscription fees? Compare your subscription's size and your electricity supply rate (which may change over time) to your subscription's cost to determine if savings exceed cost.
□ PROJECTTYPE	Is this a Traditional Community Solar or a Community-Driven Community Solar project? If it's a Community-Driven Community Solar project, in what ways does the community benefit?
□ PORTABILITY AND TRANSFERABILITY	Illinois Shines requires subscriptions to be portable or transferable. What restrictions or limitations on portability or transferability are included in the terms of your subscription?
☐ AUTHORIZATION TO MANAGE UTILITY ACCOUNT	Does the offer require you to authorize the community solar provider to act as your agent with respect to your electric utility account? Make sure you understand what changes they can make to your utility account and whether you will still receive bills and notices from your electric utility.





Selecting a Solar Company and Signing a Contract

Installing solar panels or subscribing to Community Solar is a commitment that should be carefully considered. You should feel comfortable and confident with your decision and with the solar vendor. A benefit of Illinois Shines is that every Approved Vendor is vetted through a careful process. Approved Vendors are entities approved by the Program Administrator (as an agent of the Illinois Power Agency), to submit project applications to Illinois Shines and act as a counterparty to Illinois Shines contracts with utilities. Designees interact with customers on behalf of Approved Vendors. They include installers, marketing firms, lead generators, and sales organizations. Approved Vendors often work with Designees to manage various portions of solar system development. Designees may support throughout the project development process, but only your Approved Vendor is qualified to



Forms detailing critical project and cost information prior to contracting. Illinois Shines provides resources to participating

Approved Vendors and Designees to ensure they comply with program requirements. Illinois Shines also provides consumer protection support to customers who believe a vendor may have violated program rules. Even with these safeguards, consumers should be diligent when choosing which vendor to work with.

Here are some helpful tips:

Speak with Multiple Vendors — As with any large financial commitment, customers should speak with multiple vendors to understand financing options, costs, and approaches. Additionally, customers can consider projects installed or managed by Equity Eligible Contractors, which are Approved Vendors who are majority-owned by an Equity Eligible Person, as defined under the Climate and Equitable Jobs Act.

Obtain Multiple Bids/Consider Multiple Projects — It's always wise to consider multiple project options. Customers looking to install on-site with a Distributed Generation project can get multiple bids, while Community Solar customers can select from multiple projects to subscribe to. The Disclosure Forms required by Illinois Shines are to be provided by your Approved Vendor (or their Designee) before you sign a contract and are based on the project and financing type. This allows you to compare differently structured offers, costs, and projections in an apples-toapples way.

Customer References — Ask for customer references from solar vendors that you are considering. You can ask these customers about their experience with the vendor, such as whether the customer was satisfied with the work, whether the vendor was responsive to questions, etc. You can also review the Program's Consumer Complaints Report to see any complaints against a specific vendor, and the Program Violations Report to see if a vendor has been suspended or has a recent warning.

Know Your Rights — Approved Vendors and Designees must adhere to specific requirements in their sales and marketing activities which are outlined in the Program's Consumer Protection Handbook. Consumers are invited to engage the Illinois Shines Consumer Protection team if they feel a participating entity has violated these Program requirements.





Illinois Shines and Illinois Solar for All both feature strong consumer protections in order to protect Illinoisans. Approved Vendors who submit successful solar projects to these programs receive a financial benefit in the form of incentives, which are ultimately funded by Illinois electricity ratepayers. To protect consumers and ensure this funding is prudently managed, the Program Administrators investigate complaints filed by consumers, and may issue warnings to, or suspend vendors found to have committed Program violations.

The Illinois Shines website's Consumer Protection Hub includes a Program Violations Report, which lists vendors that have received a warning or suspension, and a Consumer Complaint Report, which lists all consumer complaints received by the Program. The Program website also has a Customer Complaint Center with information on how to submit a complaint to the Program via webform, email, or telephone. The Complaint Center also provides contact information to file complaints with the Program Administrator, Illinois Commerce Commission, or the Office of the Illinois Attorney General.

