



**Illinois Shines**

*Building Our Solar Future*

# Annual Reporting and REC Performance Evaluation

**Presented By:**

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# Annual Reporting & REC Performance Evaluation



On an annual basis, each Approved Vendor with an active 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 after Energization and 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?

The Annual Report includes the following information:

## Information Required from All Avs:

- 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
- Confirmation of prevailing wage requirements

## Additional Information Required for CS Projects:

- Percentage of each system subscribed on a capacity basis\*
- Daily Average Subscription rates\*
- The number and type of subscribers (e.g., residential, small commercial, large commercial/ industrial), including capacity allocated to each type\*
- Subscriber turn-over rates\*
- Confirmation of CDCS or TCS scoring commitments, as applicable

*\*These items will be provided in a report format by the Program Administrator to the Approved Vendor to review and confirm their accuracy*

# Who is required to submit an Annual Report?

- Approved Vendors with an active REC Contract will be invited to respond to the Annual Report on July 1 of each year. 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 on July 1st inviting them to respond to the Annual Report, which will include:

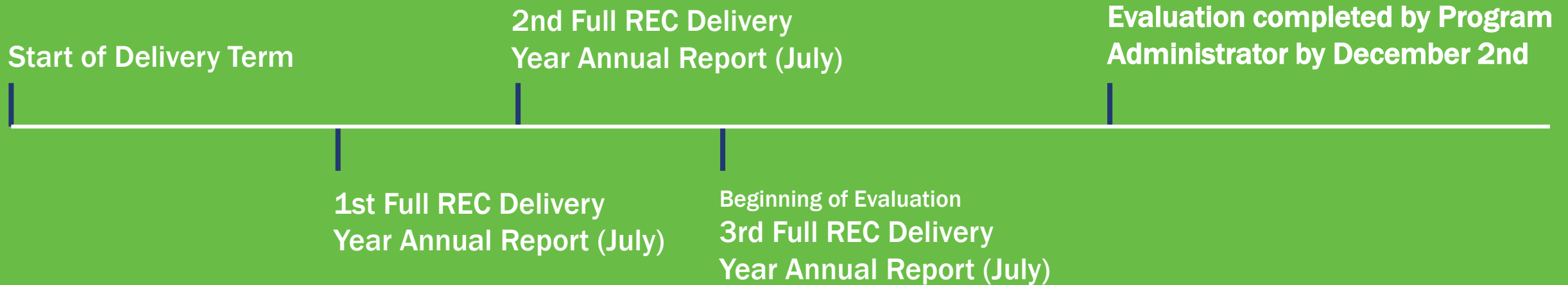
- Link to Approved Vendor Guide
- Link to AV SharePoint folder
- Link to Annual Report Response Form

The Annual Report response period begins July 1<sup>st</sup> and lasts until August 1<sup>st</sup> with a cure period beginning after that.

# What is the timeline for submitting Annual Reports?

<b>July 1</b>	Annual Report Response Period begins. Approved Vendors will have access to review reports on SharePoint and submit Annual Report responses.
<b>August 1</b>	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.
<b>August 2</b>	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.
<b>October 18</b>	Last day for Program Administrator to inform Approved Vendors of discrepancies.
<b>October 30</b>	Annual Reports are finalized. No modifications to submissions after this date.
<b>December 2</b>	Program Administrator Collateral Adjustment Calculations complete. Once Collateral Calculations are complete, Contracting Utilities will inform Approved Vendors of any drawdowns.

# What is the timeline for REC Performance Evaluation?



REC Performance Evaluation occurs after Energization and three full delivery years after the start of the Delivery Term. The Delivery Term starts the first day of the month after the date of first REC delivery. It is only a requirement of the 15-Year contracts

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 Contracting Utility 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.



# Thank you for watching!

## For questions or assistance:

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