



**Illinois Shines**

*Building Our Solar Future*

## REC Contracting and Re-Batching

**Presented By:**

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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



Program Administrator  
submits batches for  
approval

After Part I verification



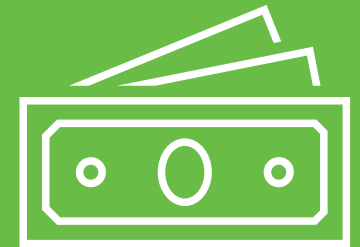
ICC approves batches

Trade Date



Contract execution

Must sign within seven  
business days



Collateral due

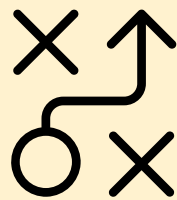
Due 30 days from Trade  
Date

# Batching and Re-Batching



Re-batching email

— ~2.5 Business Days —



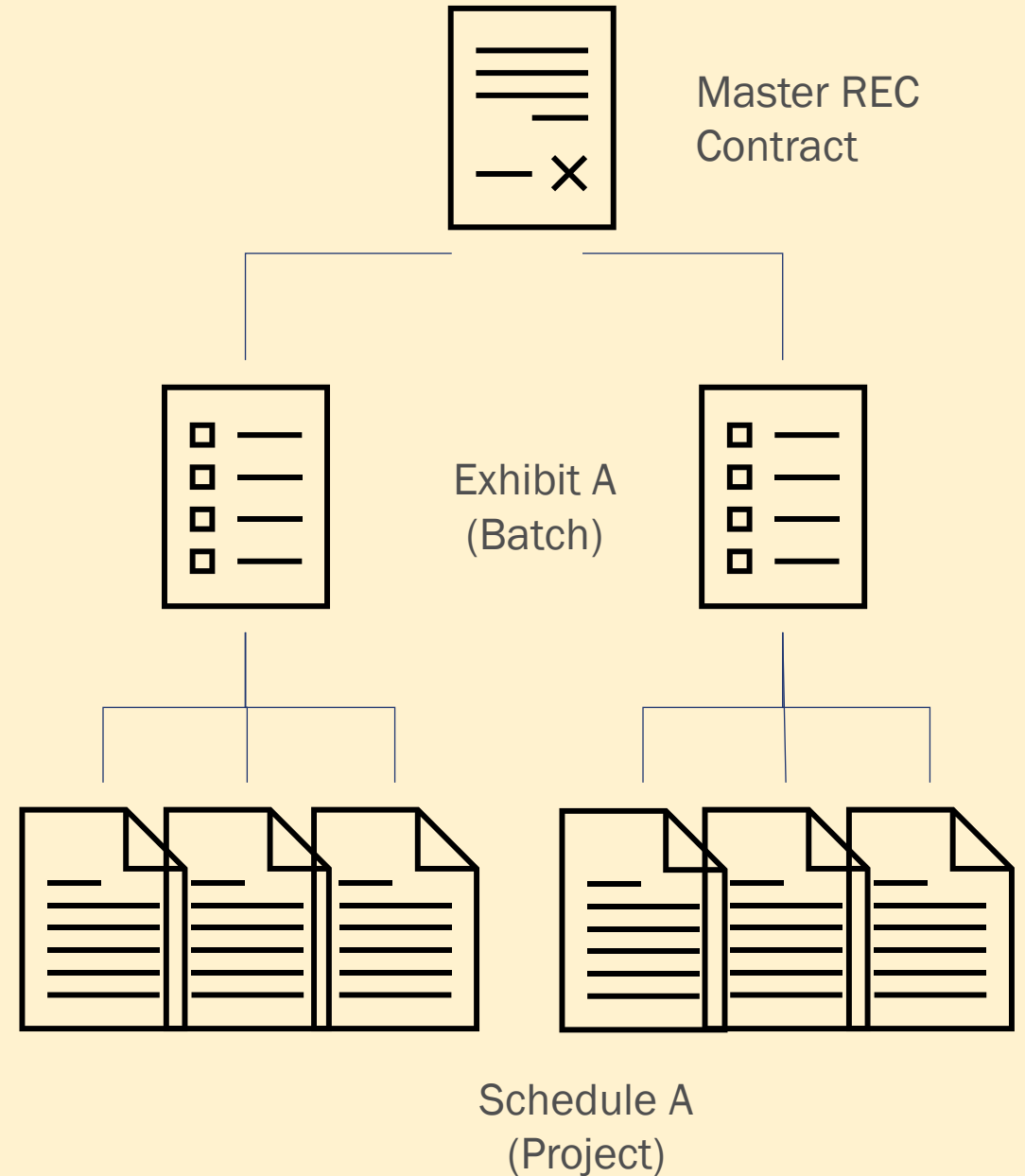
Withhold or customize

- Re-batching and withholds are 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 Program Administrator?

## Master REC Contract & Schedule A

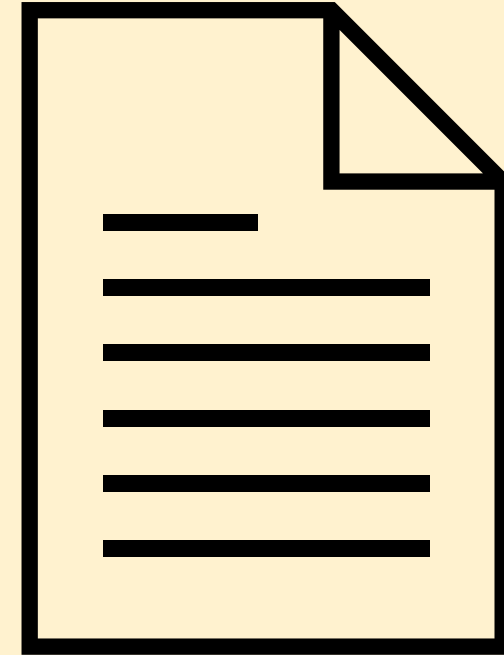
These contracts are received by AVs after Part I Verification **and ICC Approval**. The Master REC Contract details the terms of the agreement with the utility, while the Schedule A details the expected pricing and sizing of the **projects**. There is generally one master contract that governs multiple 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, REC delivery obligation, 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
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
2024 20-Year REC Delivery Contract	20 years	TCS	Pay-as-deliver: <ul style="list-style-type: none"> <li>• If CS (Traditional or on Public Schools) adjust biannually based on subscription information in bi-annual reports</li> <li>• If DG on Public Schools, no biannual adjustment</li> </ul>
		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
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
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

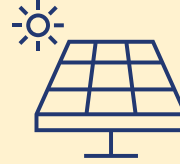
- Systems must deliver RECs according to the delivery schedule in the Schedule B for the life of the contract.



**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.



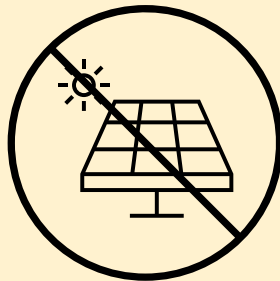
Generation or Vintage date: When the REC was generated.



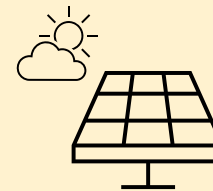
Transfer date: When the REC is recorded in the registry (GATS or M-RETS)

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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