

Assignment of Product Order(s) or Entire REC Contracts

Overview

The Illinois Shines REC contract governs assignments. As explained in the REC contract, as well as Section 6 of the [Program Guidebook](#), Renewable Energy Credit Management and Assignments, assignments may be subject to fees and may in certain circumstances require the Buyer's consent to be effectuated. An entire REC contract or any product orders/batches under a contract may be assigned in their entirety. It is not possible to assign individual projects within a product order. However, if an assignment occurs that removes the only, or last remaining, batch from a contract and that contract has any deferred Drawdown amounts from prior REC Performance or Community Solar Parameters evaluations, the deferred Drawdowns must be paid for the assignment to be completed.

Steps for Assignment

The Assignor is the Approved Vendor that already holds the product order(s) and wishes to initiate assignment, while the Assignee is the Approved Vendor that will receive the assignment. The Buyer is the contracting utility. In order to begin the assignment process:

1. Assignor contacts Buyer and Program Administrator to provide informal notice of intent to assign, including the identity of Assignee.
2. Assignee applies to be an Approved Vendor (if not already) on the Program website. (In the case that the Assignee is a foreclosing financing party, the requirement that the Assignee is an Approved Vendor shall be waived for up to 180 days following the transfer.)
3. Program Administrator reviews and approves Approved Vendor application (if the Assignee is not already an Approved Vendor).
4. Assignee and Assignor execute the appropriate form of Acknowledgement. The Acknowledgement without Consent form is used if the Assignee already is a valid Approved Vendor with an existing fully executed REC contract. The Acknowledgement and Consent form is used in all other situations. Thus, one of the two versions of the form is required in all cases.
5. Program Administrator and Buyer collaborate to confirm that Assignor has met all prerequisites for assignment:
 - a. Full collateral has been posted for the subject product order(s).
 - b. Thirty business days have passed since ICC approval of the subject product order(s).
 - c. Buyer has received any applicable assignment fees.
 - i. A fee of \$1,500 is required for the first assignment of a contract or product order. If Assignee and Assignor are affiliates, this fee is waived. Any subsequent assignments of prior-assigned product orders, even between affiliates, carry a fee of \$5,000. All assignment fees are payable directly to Buyer.
 - d. Assignee, Assignor, and Buyer must work out together how collateral will be maintained.

- e. Assignee and Assignor have met any other requests by Buyer for additional information for Buyer to use in determining whether to grant consent (not applicable if consent is not required).
 - f. If there is any deferred Drawdown amount owed from prior REC Performance Evaluations or Community Solar Parameters Evaluations, and the last batch is being assigned out of a contract, the deferred Drawdown amount must be paid to the contracting utility.
6. Program Administrator generates shell REC contract (if needed), Exhibit A, Schedule A(s), and Schedule B(s) (if appropriate) for Assignee. Generates Schedule A(s) for Assignor. All documents are provided directly to Buyer.
 7. Buyer signs Acknowledgement, REC contract (if needed), and Exhibit A. Sends all items to Assignee. Sends Acknowledgement to Assignor.
 8. If any irrevocable standing orders have been established from Assignor's registry account for projects in the batches being assigned, Assignor must transfer those projects to Assignee's GATS or M-RETS account. Assignor and Assignee must ensure that the irrevocable standing orders remain in place during the transfer or are re-established post-transfer.
 9. Assignee and Assignor effect the legal assignment. Assignee countersigns REC agreement and Exhibit A. Assignee and Assignor provide copies of fully executed documents to Buyer along with proof that any projects with irrevocable standing orders have been transferred to Assignee's registry account and that those irrevocable standing orders have been maintained or re-established post-transfer.
 10. Upon confirming that all requirements have been completed, Buyer notifies Program Administrator that the assignment is complete.
 11. Program Administrator updates the Illinois Shines database, moving subject product order(s) from Assignor's REC contract to Assignee's REC contract.

Please note that an Approved Vendor may, without consent, collaterally assign or pledge the revenue stream of a REC contract or product order(s), or collaterally assign the REC contract itself, in conjunction with financing or other financial arrangements. The Approved Vendor must provide notice to the Program Administrator and Buyer of such a collateral assignment or pledge, including the identity and contact information of the financing party obtaining collateral rights. Also note that collateral assignment of the contract, and any associated time period for a financing party to conduct the collateral assignment of the contract, should operate in the same manner for EEC AVs as it would for non-EEC AVs.