

COMMENTS ON DRAFT 2026-27 PROGRAM GUIDEBOOK ON BEHALF OF THE SOLAR ENERGY INDUSTRIES ASSOCIATION, THE COALITION FOR COMMUNITY SOLAR ACCESS, AND THE ILLINOIS SOLAR ENERGY & STORAGE ASSOCIATION

March 20, 2026

The Solar Energy Industries Association, the Coalition for Community Solar Access, and the Illinois Solar Energy & Storage Association (collectively the “Joint Solar Parties” or “JSP”) appreciate the opportunity to comment on the Illinois Power Agency’s draft 2026-27 Program Guidebook dated March 9, 2026 (“Draft Guidebook”). The Draft Guidebook addresses the Adjustable Block Program (“ABP”).

While the IPA typically releases a draft program guidebook in anticipation of a June 1 program year open, the Draft Guidebook takes on additional importance because of its implementation of the Clean and Reliable Grid Act (Public Act 104-0458, also known as “CRGA”). Due to factors including timing of the Governor’s signature on CRGA and its June 1, 2026 effective date, implementation of CRGA was largely left to this process.

The Joint Solar Parties appreciate the effort that went into implementing CRGA in the Draft Guidebook. The Joint Solar Parties’ comments focus primarily on three issues related to CRGA implementation:

- **Project Labor Agreements and Pub. L. 119-21.** The Draft Guidebook requires that projects selected in the 2026-27 delivery year provide their Project Labor Agreement to the IPA 60 days prior to construction. Unless modified, this language may interfere with safe harbor strategies to ensure commencement of construction under the 5% test prior to July 4, 2026. In addition, the Joint Solar Parties seek additional information about IPA review and approval process for Project Labor Agreements.
- **Co-Location.** The Draft Guidebook appears to faithfully implement CRGA as it relates to allowing co-location of up to 10 MWac of community solar that is participating in the ABP—and correctly does not address community solar outside of the ABP. However, the Draft Guidebook prohibits co-location of behind-the-meter systems with systems that are outside of the ABP, which is not consistent with CRGA.
- **REC Pricing Update.** The Joint Solar Parties urge the Draft Guidebook to be updated with a new pricing tier for above 3MWac through 10MWac for community solar to take into account the specific costs associated with Project Labor Agreements.

In addition to these three CRGA implementation items, the Joint Solar Parties urge the IPA to revise the description of single-project Approved Vendors (“SPAVs”) that have become a preferred financing mechanism for front-of-meter and larger behind-the-meter systems. The revised Draft Guidebook gives the impression that the common financing pathway of an early-stage developer applying systems under their general Approved Vendor and then assigning the Product Orders to an SPAV created for financing purposes may no longer be allowed. In addition, the Joint Solar Parties urge the IPA to not require documentation that would be legally confusing in the instance where an Approved Vendor is not the system owner or installer.

While the Joint Solar Parties have additional areas for potential future discussion or revision,¹ recognizing the tight timelines and the importance of these four issues the Joint Solar Parties are limiting their comments to these four areas.

I. Project Labor Agreements and Pub. L. 119-21 (Primarily Section 4.R)

The IPA has consistently worked with industry since Pub. L. 119-21 (also known as the “One Big Beautiful Bill Act”) was signed by the President on July 4, 2025. The IPA has taken a number of steps recognizing that Illinois ratepayers, the ABP and other programs and procurements, and the solar industry all benefit from maximizing the number of projects that are able to qualify for the federal Investment Tax Credit (“ITC”) by meet the various deadlines and safe harbors set forth for in Pub. L. 119-21 and associated guidance.

To simplify for the purposes of these comments a complex and evolving area, solar projects seeking a Section 48 or Section 48E ITC² must accomplish one of three milestones prior to July 4, 2026: (i) placement in service, (ii) commencement of physical construction, or (iii) meeting the 5% test. At a high level, commencement of physical construction means taking certain steps involving onsite construction; the 5% spend test may be met by the taxpayer procuring certain qualified equipment for projects that are larger than 1.5MW and were procured prior to September 1, 2025. However, both (ii) and (iii) are considered “commencement of construction” for Pub. L. 119-21 purposes.

This creates timing issues between the taxpayer’s ITC safe harbor start of construction strategy and the new requirements of CRGA (as implemented under the Draft Guidebook). Specifically, any project that (by virtue of being on a waitlist or that is unlikely to receive ICC approval before June 1, 2026) has the following requirements:

Approved Vendors must submit the application’s project labor agreement to the Program Administrator via email for evaluation at least 60 days prior to the start of construction. Upon approval of the project labor agreement, the Approved Vendor must both execute the project labor agreement and share the executed version with the Program Administrator within 30 days of execution.

(Draft Guidebook at 79; *see also id* at 78, 102, 147 (references to a PLA being required “prior to construction”).) This conflicts with established federal tax law for projects seeking to meet the July 4, 2026 safe harbor deadline because meeting either the (i) beginning of construction onsite physical work safe harbor strategy or (ii) 5% spend test—which may not involve any onsite work by the general contractor or subcontractors—qualify as commencing “construction” under federal law. Some may have already commenced construction under that standard.

The Draft Guidebook should be revised in two ways to address these issues. First, in all instances of “construction” as when a PLA must be submitted and approved, the Draft Guidebook should instead use “physical construction”. Second, the Draft Guidebook should be updated to explicitly

¹ As an example, the Joint Solar Parties oppose the use of a subcontractor for Traditional Community Solar scoring for “greenfield” projects and instead urge the IPA to consider additional and additive point-scoring opportunities for landfill projects.

² As distinguished from 25D for residential customer-owned behind-the-meter solar, which as the Draft Guidebook correctly points out has already sunset.

recognize—even in a footnote—that activities that may be “construction” under federal law may proceed as long as they do not involve physical work on site.

While that change will help Approved Vendors applying projects using the 5% test, it still may present a challenge for Approved Vendors applying projects using the physical construction test, and will completely disqualify others that completed such physical construction prior to the issuance the REC contract, something out of the taxpayer’s control. Not only must the owner/operator or general contractor in the either case negotiate a PLA and submit to the IPA but it also must wait for approval, the latter of which would therefore automatically get disqualified.

Specifically for the July 4, 2026 deadline, the IPA should allow a project to submit the PLA prior to July 4, 2026 and allow approval after the fact. In addition—for July 4, 2026 and beyond—the IPA should presumptively approve the tri-trade agreement and NMA (National Maintenance Agreement) forms of PLA. These agreements have been negotiated and used by Illinois labor unions and should be presumed compliant. To the extent that the IPA believes a pre-July 4, 2026 project labor agreement or a tri-trade/NMA PLA is lacking, upon a written determination that the PLA is lacking one or more requirements there should be a one-time ability to revise the PLA without penalty.

While the Joint Solar Parties recognize that the pre-filing and approval process described in the Draft Guidebook is consistent with the IPA’s approach in the Indexed REC Contract for competitively-procured utility-scale projects, the particular circumstances at this time require a different approach.

- First, utility-scale projects typically apply at an earlier stage of development—for instance, interconnection need not be at any particular stage, while TCS points for interconnection are often important for meeting the 5 point minimum threshold for making the waitlist.
- Second, the specific date of July 4, 2026 for meeting safe harbors under Pub. L. 119-21 and its related guidance creates a short-term timing issue that is not expected to repeat under current law.
- Third, the pre-filing and approval requirement is not required by statute; Section 1-75(c)(1)(T)(i) only requires that for ABP systems now subject to PLA requirements: “The project labor agreement shall be filed with the Director in accordance with procedures established by the Agency through its long-term renewable resources procurement plan.” (20 ILCS 3855/1-75(c)(1)(T)(i) (effective June 1, 2026).) The only procedure in the Draft LTRRPP for Commission Approval (filed October 20, 2025 in ICC Docket No. 25-0945) is for Indexed REC Contract projects and not specific to the ABP. (See, e.g., Draft LTRRPP for Commission Approval dated October 20, 2025 at 127-128.)

It is also essential that the Agency define the term “Construction” for purposes of the PLA. The Joint Solar Parties recommend this definition:

“Construction” shall mean “Work performed by a laborer or mechanic at the site of the work for the purpose of building the specific structures and improvements that constitute the Project.” Construction shall not include actions commonly deemed site preparation that are outside regular solar construction activities, including site surveying, tree-clearing, specialized testing for electrical equipment, specialized pile/post installations, fencing installation, seeding and vegetation, testing and commissioning.

The Joint Solar Parties' recommended changes would in no way avoid, skirt, or diminish the new PLA requirements under CRGA. Instead, the Joint Solar Parties urge the IPA to take the practical approach it has previously taken with Pub. L. 119-21 and ensure that procedures do not compete with or conflict with maximizing the number of projects eligible for the federal ITC to the benefit of all ratepayers.

II. Co-Location (Section 4.H)

The Joint Solar Parties appreciate that the Draft Guidebook successfully implements the new CRGA community solar co-location requirements in Section 4.G. However, it appears that the behind-the-meter co-location requirements were not fully and accurately implemented in Section 4.H. The Joint Solar Parties urge the IPA to revise the Draft Guidebook to comply with CRGA's new co-location standards.

A. Co-Location With Non-ABP Projects

The primary issue with behind-the-meter co-location is that the Draft Guidebook specifically (and incorrectly) considers non-ABP behind-the-meter generation co-located with ABP behind-the-meter generation:

Prior to P.A. 104-0458, co-located distributed generation projects were permitted to sum to over 5 MW in size if the co-located projects that are participating in the Program remain at or under the 5 MW AC size requirement. As of June 1, 2026, this is no longer permitted. Projects may not be co-located such that the aggregate nameplate capacity of the projects exceeds 5,000 kW AC.

(Draft Guidebook at 67.) While this is an accurate statement of pre-CRGA law, there is no basis in CRGA to impose a new or additional co-location requirement between non-ABP projects and ABP projects. The language of Section 1-75(c)(1)(K)(ii) related to co-location is parallel to the language in Section 1-75(c)(1)(K)(iii). Because there is no similar language in Section 4.G, the Joint Solar Parties assume that the Draft Guidebook is correctly limiting co-location to just ABP projects as the statute clearly intends.

The Draft Guidebook should revise Section 4.H to delete the passage above and make clear in both Section 4.H and 4.G that co-location only applies to projects participating in the ABP and co-location does not consider projects outside of the ABP.

B. 5,000 kWac Maximum Per Customer

The Draft Guidebook also restricts a single behind-the-meter customer to 5,000 kWac of ABP behind-the-meter generation. However, this requirement should only apply to 5,000 kWac of *co-located* (i.e. behind-the-meter systems behind the same customer meter and developed by the same entity or affiliates). Nothing in Section 1-75(c)(1)(K)(ii) requires that a single *customer* have not more than 5,000 kWac; it states that it is restricted to: "distributed renewable energy generation devices with a nameplate capacity of more than 25 kilowatts and no more than 5,000 kilowatts." A customer with more than 5,000 kWac of renewable generation is still eligible for net metering. (See, e.g., ICC Docket No. 22-0036, Final Order dated October 27, 2022 at 13.)

The Commission has addressed similar statutory language before and has found that the restriction on *offer* size under statute means that a single customer may take multiple offers and still qualify. Specifically, with regard to the small subscriber statutory requirement, the Commission held that a single eligible customer may hold multiple 25 kW subscriptions from separate community solar systems that each count as a “small subscription” even though the sum across all subscriptions is more than 25 kW. (See ICC Docket No. 23-0714, Final Order dated February 20, 2024 at 91.) The Draft Guidebook should be consistent for behind-the-meter systems.

C. Notarized Affidavit Requirement

The Draft Guidebook would require that “[a]ll distributed generation projects must submit a notarized affidavit at the Part I application attesting that the project is not affiliated with any other distributed generation projects, such that, if the two projects were deemed co-located, the projects would exceed 5 MW nameplate capacity limitation.” (Draft Guidebook at 63.) While this requirement for *all* systems might be justifiable for Large DG systems, it makes little sense for projects in the Small DG category, where more than 200 systems behind a single customer’s meter would be required to even reach 5,000 kWac. The Joint Solar Parties thus urge the IPA to exempt Small DG Block systems, or at minimum Small DG systems serving residential customers.

III. REC Pricing Update (Section 1.J)

While CRGA brought several changes, the biggest external changes since the last program year are: (i) the 25D ITC has completely sunset, (ii) PLAs are now required for community renewable generation projects over 3MWac, and (iii) Section 48 ITCs are sunset for projects without a safe harbor.

The Draft Guidebook (consistent with the LTRRPP) has addressed the 25D ITC sunset with a \$20/REC adder. The Joint Solar Parties supported that adder in ICC Docket No. 25-0945 and continue to support it. (See Draft Guidebook at 27.)

However, it is not apparent from the Draft Guidebook whether REC pricing has been adjusted for community renewable generation projects over 3 MWac to reflect the additional costs of PLAs. Adjustments would not be appropriate for all systems—only for those projects that are required to submit a PLA. This can be accomplished either with an adder for such projects or a new over 3 through 10 MW pricing category.

In addition, the current range of 2-10 MW (or even an adjusted 3-10 MW range) does not take into account the economies of scale for projects closer to 10 MW than 2-3 MW. The Joint Solar Parties would support an additional pricing tier for the new 5-10 MW sizing for community solar projects.

Finally, while a number of projects (as described in Section I above) will be aiming for Section 48 safe harbors, there will likely be many Large DG (plus non-residential Small DG) and community solar projects that do not qualify for any ITC safe harbor. However, the current REC pricing is designed for projects that monetize the ITC. The ABP risks screeching to a halt for projects that do not qualify for a safe harbor—which may hit some categories harder than others—until the 2027-28 Program Year. To best meet the statutory requirements of Section 1-75(c)(1)(K):

The Adjustable Block program shall be generally designed to provide for the steady, predictable, and sustainable growth of new solar photovoltaic development in

Illinois. To this end, the Adjustable Block program shall provide a transparent annual schedule of prices and quantities to enable the photovoltaic market to scale up and for renewable energy credit prices to adjust at a predictable rate over time. The prices set by the Adjustable Block program can be reflected as a set value or as the product of a formula.

(20 ILCS 3855/1-75(c)(1)(K).) Creating a transparent adder for projects that attest to missing safe harbors and that they cannot and will not monetize the ITC will help keep the ABP on track to meet statutory program volume goals as well as the mandate to provide a “set value or . . . the product of a formula”.

IV. Single Project Approved Vendors (Primarily Section 2.A)

SPAVs have long served a dual role within the APB. On one hand, the SPAV structure has allowed the owner of a single project—such as a government, non-profit, or commercial customer—to hold and administer the REC Contract with some streamlining of administrative requirements. On the other hand, SPAVs have also been critical to financing structures for some owner/operators, allowing each ProjectCo to have its own REC Contract that pays into a ProjectCo-controlled bank account. As the Draft Guidebook references, this is used by EEC-Approved Vendors to facilitate third-party financing of systems in the EEC Block. (See Draft Guidebook at 34-35.)

For the latter model (use of SPAVs for third-party financing purposes), the SPAV is frequently formed long after the project is applied to the ABP and often after the REC Contract is issued to the applying Approved Vendor. Frequently, the financing is for a number of affiliated SPAVs.

New language in the Draft Guidebook that does not appear to be required by CRGA has been added to Section 2.A. (See Draft Guidebook at 34.) This appears to solely relate to behind-the-meter systems, because there is no reason an SPAV with a community renewable generation project should not share its marketing or should be exempt from the requirement to modify its marketing upon request. Furthermore, the new language requires the SPAV request to be made prior to the Part I application. If read literally, the new language directly conflicts with the Commission’s Final Order in ICC Docket No. 23-0714 as well as Section 2.B that describes use of SPAVs within the EEC Block. (See ICC Docket No. 23-0714, Final Order dated February 20, 2024 at 154.)

The Joint Solar Parties could see two solutions to this issue. First, the new language in Section 2.A should apply only to customer-owned behind the meter projects and could clearly state that SPAVs may be freely formed for financing purposes. Alternatively, the new language could have a clearly stated exception for financing purposes where a REC Contract is being assigned to an SPAV that is formed for the purpose of taking assignment of the REC Contract.

V. New Site Control Document Requirements (Section 5.F)

The Draft Guidebook introduces new signature requirements for site control documents as part of the description of required Part I application documents:

Site control must be signed by both parties, the customer, and the Approved Vendor or installer. In projects where the Approved Vendor is the owner, such as in community solar projects, or the owner and off-taker such as in distributed generation, site control must be signed by the Approved Vendor and the host/landlord of the installation

property. If the Approved Vendor is the same entity as the host/landlord of the installation address, only one signature from the entity is needed.

(Draft Guidebook at 105-106.)³ This new requirement does not appear to be responsive to any changes from CRGA or portions of the 2026-28 LTRRPP that the Commission approved with modifications.

The Joint Solar Parties oppose this new change and urge the IPA to delete the passage quoted above. In many cases, the Approved Vendor is neither the installer nor the system owner. The passage above implies that a site control agreement is possible between the Approved Vendor and the site host, but if the Approved Vendor is neither the system owner nor the installer the Approved Vendor would be the legally incorrect entity to sign the site control agreement. The Approved Vendor may have no rights or responsibilities related to developing, constructing, operating, or maintaining the system and thus the Approved Vendor being the counterparty to the site control agreement serves no purpose.

To the extent the IPA is concerned that having a third-party Approved Vendor that is neither the installer nor the system owner (whether an affiliate of the installer/system owner or unaffiliated), the most straightforward fix is an acknowledgement by the site host and system owner as is required for a transfer of Approved Vendors for a Part I application. That ensures that the site host and system owner are fully aware of the identity of their Approved Vendor and consent. That process for securing site host and system owner consent for transfer of Approved Vendor is a well-established process that the IPA designed to ensure a site host and system owner were comfortable with a new Approved Vendor.

Instead of the passage above, the IPA should only review for a binding site control agreement between the system owner/developer or installer on one hand and the site host (customer for behind-the-meter) on the other. To the extent the Approved Vendor is neither the site host nor the system owner/developer, then the Approved Vendor should demonstrate disclosure and acknowledgement to the same standard as changing Approved Vendors.

VI. Conclusion

The Joint Solar Parties appreciate the opportunity to comment on the Draft Guidebook at this particularly sensitive time where the promise of CRGA meets with the challenges of Pub. L. 119-21. Implementation through this Draft Guidebook is particularly important to ensure as seamless of a transition as possible and to maximize benefits for Illinois ratepayers. Please do not hesitate to contact any of the three trade associations comprising the Joint Solar Parties or counsel with any questions or concerns about these comments.

³ The Joint Solar Parties note that the new requirements are a different standard to what is described in Section 4.H: “For each project application, the Approved Vendor must provide a written binding contract, option, or other demonstration of site control acceptable to the Program Administrator for all projects where the Approved Vendor is not also the project owner and the host. In cases where the system owner and host are the same entity, site control can be demonstrated by a statement from the system owner and host that this is the case.” (Draft Guidebook at 70.) There is no mention that the Approved Vendor must be a party to the site control agreement.