

March 20, 2026

Illinois Power Agency
160 North LaSalle Street
Chicago, Illinois 60601

Subject: Comments on the Illinois Shines 2026 Draft Consumer Protections Documents

COMMENTS BY CARBON SOLUTIONS GROUP

Carbon Solutions Group (“CSG”) appreciates the opportunity to comment before the Illinois Power Agency (“the Agency”). This comment letter will address the 2026 REC Adder – Categories of Stranded Customers Update (“the REC Adder”).

The Customer Contract Gap

The existing framework assumes that when a Master REC Contract is assigned to a new Approved Vendor, the underlying customer contracts follow. In practice, when an Approved Vendor goes out of business, those customer contracts may be lost, held by a bankruptcy trustee, contain anti-assignment provisions, or have been executed with entities that no longer exist. The Master REC Contract can be assigned, but the new Approved Vendor has no legal right to collect the RECs it would be obligated to deliver.

This problem is most acute where REC payments have already been made. The utility paid for RECs it is no longer receiving. No future payment stream exists to attract a new Approved Vendor; only an unfunded delivery obligation. No adder value resolves this problem because the impediment is contractual: the new Approved Vendor cannot predict how many customers it will successfully re-contract, yet standard assignment would expose it to delivery risk on the entire portfolio.

Proposed New REC Adder Category: Administrative Stewardship

CSG proposes a new last-resort category for both Table 1 and Table 2. Under “Administrative Stewardship”, a new Approved Vendor would accept assignment of the Master REC Contract and then rebuild the customer-side relationships from the ground up, executing new customer agreements and Disclosure Forms, obtaining monitoring access, and delivering RECs to the utility for re-contracted systems.

i. Key elements

- **Last resort only.** Available only after the Program Administrator confirms that customer contracts are unavailable or unassignable, and that no Approved Vendor has accepted assignment under the existing adder categories.

- **Voluntary re-contracting.** Customers choose whether to participate. The new Approved Vendor cannot compel any customer, meaning portfolio coverage is inherently uncertain at the time of assignment.
- **No REC delivery obligations for the new Approved Vendor.** Because customer participation is voluntary and no penalty mechanism exists to enforce delivery, the new Approved Vendor has no enforceable right to guarantee delivery from any system in the portfolio. Collateral, performance evaluation, and shortfall consequences should be waived for Administrative Stewardship assignments.
- **Tiered adder with customer incentive.** CSG proposes that the Agency offer Administrative Stewardship at the LOW, HIGH, or VERY HIGH adder levels, structured as follows. At the LOW level, the full adder amount compensates the new Approved Vendor for the administrative work of customer outreach, re-contracting, monitoring access, and ongoing delivery management. At the HIGH or VERY HIGH levels, the new Approved Vendor retains the LOW-equivalent portion as administrative compensation, and the delta between the LOW value and the applicable higher-tier value is remitted to the Approved Vendor and then to the customer as RECs are delivered. This creates a direct, performance-based incentive for customers to maintain their systems, cooperate with monitoring, and continue delivering RECs, without requiring any additional forward payment risk. The customer receives value only as RECs are actually delivered to the utility, aligning the customer’s incentive with the Program’s objective.
- **Still significantly cheaper than new REC procurement.** Even at the VERY HIGH adder level, the total per-REC cost of recovering these already-funded RECs through Administrative Stewardship is substantially lower than the cost of procuring replacement RECs from new Program participants. The utility has already paid the base REC price; the adder is the only incremental cost. This makes Administrative Stewardship a cost-effective mechanism at any tier.
- **Systems must be operational.** Eligible projects are post-Part II verified, were under an executed REC contract, and have installed functioning systems capable of generating RECs.

ii. Proposed Category Language

Stranded Customer Situation	Notes	Considerations for REC Adder Pricing	REC Adder Group
Approved Vendor has gone out of business. Master REC Contract is assignable, but customer REC contracts are lost, unavailable, or cannot be assigned. REC	Last-resort only. Customer contracts unavailable/unassignable; no Approved Vendor willing to accept under existing categories.No future REC payments, utility already paid	Administrative work: customer outreach, re-contracting, monitoring access, delivery management.Recovers RECs the utility has already paid for. LOW	LOW (or HIGH / VERY HIGH with customer pass-through of the delta above LOW)

<p>payments already made to the original Approved Vendor. No Approved Vendor has accepted assignments under existing categories. Systems are operational and post-Part II verified. Administrative Stewardship: new Approved Vendor accepts Master REC Contract assignment, re-contracts with willing customers, obtains monitoring access, and delivers RECs to the utility for re-contracted systems.</p>	<p>original Approved Vendor. Customer participation is voluntary. New Approved Vendor executes new agreements and Disclosure Forms. No REC delivery obligations for the new . Collateral, performance evaluation, and shortfall consequences are waived. Customer incentive at higher tiers: At HIGH or VERY HIGH, the delta above the LOW value is remitted to the customer as RECs are delivered. No forward payment; customer is paid only on delivered RECs.</p>	<p>tier: full adder to Approved Vendor for administrative work. HIGH / VERY HIGH tiers: Approved Vendor retains LOW-equivalent amount; delta passes through to customer as RECs are delivered, incentivizing ongoing participation. Even at VERY HIGH, total cost is significantly lower than procuring replacement RECs from new participants. No delivery risk for Approved Vendor; waiver justified by voluntary customer participation and absence of penalty mechanisms.</p>	
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Benefits of a the REC Adder Category

Administrative Stewardship recovers RECs that ratepayers have already funded but the utility is not receiving. It does not modify any existing category. It deploys only when existing mechanisms have failed. The tiered adder structure aligns incentives at every level: the Approved Vendor is compensated for administrative work, the customer is incentivized to maintain participation through a performance-based payment as RECs are delivered, and the Program recovers funded RECs at a fraction of the cost of new procurement, even at the highest adder tier.

CSG welcomes further discussion with the Agency and Program Administrator on the operational mechanics of this proposal.

CSG remains a proud participant in Illinois Shines and we thank the Agency for their consideration of these comments. Please let us know if any further clarification is required.



Respectfully Submitted,

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