

*ILLINOIS SHINES*

# **DISTRIBUTED GENERATION CONTRACT REQUIREMENTS**

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COMPLIANCE REQUIRED BY JUNE 1, 2026\*



\*This document was published at least 45 days in advance of the date by which compliance is required, in accordance with the Final Order in ICC Docket No. 19-0995 at 56, 62.



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All projects energized after the IPA finalized its initial consumer protection requirements must comply in full with applicable consumer protection requirements.

**Contracts may not prohibit or limit the customer's ability to make complaints to the Program Administrator or Agency or to cooperate with investigations into potential Program violations.**

All customer contracts must be executed by customer signature (which may be by electronic means) and include the date of customer signature (which may be recorded manually or automatically).

The Approved Vendor will attest to compliance with the contract requirements herein in Part II of the project application.

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## A. Contract Requirements that Apply to Purchases, Leases, and PPAs

1. **Right of Rescission:** For solar projects less than or equal to 25 kW in size, the contract must provide a right of rescission within three or more calendar days after contract execution.
2. **Project Specifications:** The contract must include the following specifications:
  - The size of the solar project;
  - The type of panels;
  - The estimated first year production; and
  - The estimated annual degradation.

The contract must also include or incorporate by reference a site plan or equivalent drawing. If incorporated by reference, the site plan or equivalent drawing must be completed and provided to the customer within 30 days of the contract execution and must be substantially consistent with the specifications contained in the contract and Disclosure Form.

3. **Fees:** The contract must provide any and all possible fees (in addition to those mentioned in B and C, below).
4. **Non-Selection for Illinois Shines:** The contract must state whether there is a change in pricing or other terms if the solar project is not selected for an Illinois Shines REC contract. For example, a contract could state that it only has effect if the solar project is selected for an Illinois Shines REC contract. If there is no change in contract terms if the solar project is not selected for an Illinois Shines REC contract, the contract must affirmatively state this.
5. **Performance Guarantee:** If the contract includes a performance guarantee, it must specify the customer's remedy in case of underperformance and the procedure to file a claim under the performance guarantee.
6. **Warranty:** If the contract includes a warranty, it must provide:
  - The term of the warranty;
  - The identity of the warranty provider;
  - A description of the defects covered (e.g., faulty installation, malfunctioning components beyond manufacturer's warranty, roof damage)

- Any financial limits on the warranty; and
  - The procedure for the customer to file a claim under the warranty.
7. **Responsible Parties:** The contract must identify the party or parties responsible for:
    - Completing and submitting the interconnection application;
    - Entering meter data in the relevant REC tracking system (this provision could be in a separate contract); and
    - Maintenance of the solar project.
  8. **Default:** The contract must state what constitutes a default on the contract and specify the remedies of both the customer and Approved Vendor or Designee in case of default.
  9. **Disputes:** The contract must provide dispute resolution procedures, including governing law.

## B. Contract Requirements for Purchase Transactions

1. **Pricing and Payments:** The contract must provide the total price, any down payment, and the schedule of payments.
2. **Ownership Transfer:** The contract must state when ownership of the solar project transfers to the customer.
3. **Transfer of RECs:** The contract must include provisions for the transfer of RECs to the Approved Vendor (this provision could be in a separate contract).
4. **Pass-Through Payment:** If the offer includes the pass-through of some or all of the Illinois Shines incentive payment to the customer, this must be stated in the purchase contract or in another contract. The relevant contract may state the pass-through amount as a set dollar value or as a percentage of the total REC incentive payment for the project.
5. **Sale of Property:** The contract must state the customer's rights and obligations upon selling the property.
6. **Mechanic's Lien:** The contract must state when a mechanic's lien waiver(s) will be provided.

## C. Contract Requirements for Lease and PPA Transactions

1. **Pricing and Payments:** The contract must provide the following information:
  - Frequency of periodic payments (e.g., monthly);
  - Method of invoicing and payment;
  - Pricing terms (including escalation); and
  - Date or timing of first payment.
2. **Term of Contract:** The term of the lease or PPA must be specified.
3. **Early Termination:** The contract must specify if there is a termination fee and the amount (as a set dollar value or formula). The contract must state, in the event of contract termination, who has ownership of the project and whether removal of the solar project is required, not provided, or provided only at the customer's request. In the case of removal, the contract

must explain who has responsibility for any necessary roof repairs and disclose any removal fee.

4. **Right to Purchase:** The contract must state whether the customer has the right to purchase the system before or at the end of the lease or PPA, and must include purchase terms, including price. The price may be a set dollar value or be based on a formula or an appraisal.
5. **Contract Renewal:** The contract must include renewals terms, including disclosing whether a renewal is possible, at the customer's option, and/or automatic. The contract must state associated pricing and fees.
6. **UCC-1 Statement:** The contract must disclose the Approved Vendor or Designee's right to file a UCC-1 statement.
7. **Insurance:** The contract must explain who is responsible for maintaining insurance on the system, and the required insurance terms. The contract must also state who is responsible if there is damage to the system.
8. **Sale of Property:** The contract must provide the customer's rights and obligations upon selling or moving out of the property. The contract must provide relevant procedures for transferring the lease or PPA to a new resident/occupant.