ILLINOIS POWER AGENCY

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Rationale Document:

2026-27 Program Guidebook

April 24, 2026

On March 9, 2026, the Illinois Power Agency ("IPA" or "Agency") released a Request for Stakeholder Feedback for the Draft 2026-27 Program Guidebook. The Agency received comments from twelve parties and appreciates the thoughtful responses. Comments received helped the Agency in the finalization of Program requirements for the 2026-27 Program Year.

The IPA released the final 2026-27 Program Guidebook on April 17, 2026. This rationale document notes some of the feedback received, and states the significant decisions made by the Agency that informed the finalized Program Guidebook.

Co-location with systems not participating in IPA Programs

One commenter expressed disagreement with the new co-location language that considers projects participating in Illinois Shines co-located with projects not participating in the Program, and limits the aggregate nameplate capacity of the co-located projects to 5,000 kW AC for distributed generation and 10,000 kW AC for community solar. The Agency understands the amendments to 1-75(c)(1)(K)(ii) and 1-75(c)(1)(K)(iii)(3) of the IPA Act made by Public Act 104-0458 to mean any community solar or distributed generation project must be included the aggregate nameplate capacity of a co-located set, regardless of participation in the Illinois Shines program. The Final 2026-27 Program Guidebook clarifies this in both Section 4.H and Section 4.G.

Distributed Generation Co-location Affidavit

The Agency understands that 1-75(c)(1)(K)(ii) of the IPA Act, as amended by P.A. 104-0458, intends to prevent participation in Illinois Shines for affiliated distributed renewable energy generation projects which, if deemed co-located, would exceed the 5,000 kW nameplate capacity limitation. Commenters requested that the Agency exclude distributed generation systems under 25 kW AC from the affidavit requirement in this section. Stakeholders stressed that this requirement imposes unnecessary administrative and financial burden, and urged the Agency to consider the unlikeliness of small distributed generation projects being co-located such that they exceed the 5,000 kW threshold. The Agency considered the comments, the intent of the co-

location affidavit requirement, the impracticality of small distributed generation projects exceeding the size threshold, the administrative burden on the Agency and Approved Vendors, and the financial burden on Approved Vendors. As such, the Agency amended the Program Guidebook language to require the Distributed Generation Co-location Affidavit only for projects sized over 25 kW AC.

Equity Eligible Contractor "Self-Perform" REC Adder

In its Final Order[1] approving the 2026 Long-Term Plan, the Commission approved a $5/REC adder for Community Solar projects participating in the Equity Eligible Contractor category where the EEC Approved Vendor "self-performs" engineering, procurement, and construction ("EPC") or development work on that project. Additionally, the Commission approved the Agency's request to finalize the definition of "self-performance" through the Program Guidebook to allow for additional stakeholder feedback. As such, in the draft 2026-27 Program Guidebook, the Agency proposed the REC Adder to be applicable to EEC AVs that "self-perform" all of EPC or development work. Comments from stakeholders asserted that the definition of "self-performance" was too restrictive and that most EEC AVs would not be able to meet it. The Agency did not receive substantial feedback to the "self-performance" definition, and believes the REC Adder eligibility must be appropriately designed to incentivize those EEC Approved Vendors who self-perform EPC and development work. With the understanding that stakeholders considered the proposed definition unduly 'restrictive', the Agency adjusted the REC Adder to be applicable to EEC AVs that "self-perform" *most* of the engineering, procurement and construction ("EPC") or development work. The Agency and its Program Administrator will solicit additional feedback from EECs to develop guidelines for the request of this REC Adder.

Project Labor Agreements

Multiple stakeholders shared comments regarding new Project Labor Agreement (PLA) requirements for community solar projects over 3 MW AC in size. The Agency appreciates all comments and wishes to address the following major topics that resulted in changes for the Final Guidebook:

[1] ICC Docket No. 25-0945 (February 17, 2026).

(1) Investment Tax Credit Sunsetting Concerns: Stakeholders raised concerns that the proposed timing of PLA submission for Agency review would limit their ability to start construction prior to the sunsetting of the Investment Tax Credit.
(2) Timing of Submission: In the draft Guidebook, the Agency proposed the submission of PLAs for evaluation at least 60 days prior to the start of construction. One stakeholder encouraged the Agency to request PLA submission earlier in the REC process to ensure sufficient time for PLA review and compliance verification, while another stakeholder felt that 30 days prior to the start of construction was more appropriate.
(3) "Start of Construction" definition: Commenters also requested the definition of "start of construction" both to ensure clarity in project timelines and to address concerns that the definition might conflict with those of the IRS.

Section 1-10 of the IPA Act defines a PLA, in part, as a "pre-hire" agreement. Therefore, based on that definition, and the feedback about stakeholder concerns, the Agency clarified in the final Guidebook that the PLA does not need to be submitted to the Agency prior to the start of construction. However, because a PLA is defined as a "pre-hire" agreement under the IPA Act, the Agency expects the PLA to be executed prior to the start of construction. In its review of a PLA, the Agency evaluates the inclusion of the minimum PLA requirements described in Section 4.R. The Agency will not provide a qualitative review of the PLA, nor its conformance with the Project Labor Agreement Act outside of the requirements stated in the Long-Term Plan and Guidebook.

The Agency therefore amended the PLA submission timeline in Section 4.R as follows: "The PLA should be provided to the IPA within the latter of (a) sixty (60) days prior to the start of construction; (b) thirty (30) days of the execution of such Project Labor Agreement or amendment; or (c) thirty (30) days of ICC approval (the contract trade date)."

Further, to avoid creating unintended restrictions, the Agency does not define "start of construction," but clarifies that the submission of PLAs prior to construction does not refer to any federal definitions of "start of construction" found in Internal Revenue Service regulations or other federal laws and regulations.

REC Prices

Commenters requested changes to the REC Prices including (1) omitting the 30% Investment Tax Credit in the REC Pricing model for the 2026-27 prices; (2) an additional REC price for projects not

receiving the Investment Tax Credit; and (3) a new pricing tier for community solar projects subject to Project Labor Agreements. The 2026-27 REC Prices were approved by the Illinois Commerce Commission in its Final Order approving the 2026 Long-Term Plan.[2] Therefore, REC Prices were not modified as a result of the Guidebook stakeholder feedback process. Prices for the 2027-28 Program Year will be released after a stakeholder feedback process in early 2027, as set out in Section 7.5.6 of the 2026 Long-Term Plan, and the Agency invites Approved Vendors to share their feedback on 2027-28 REC prices through that process.

Single Project Approved Vendors

Two commenters noted that requesting the Single Project Approved Vendor ("SPAV") designation prior to the system's Part I application would be administratively burdensome and risky for Equity Eligible Contractors participating in the community solar subcategory that finance projects through co-development. The Agency understands that such designation operates differently for community solar Approved Vendors and therefore clarified in the Final 2026-27 Program Guidebook that the requirement to request a SPAV designation prior to the Part I application is only applicable for distributed generation projects.

Site Control Requirements

Two commenters addressed concerns related to the addition of guidance under Section 5.F for the Site Control requirement, mentioning that as drafted, the language unintentionally requires Approved Vendors to sign *all* site control documentation. The Agency wishes to clarify that the addition of language in Section 5.F under 'Site Control' is not a new requirement and is intended to provide guidance towards the accepted forms of documentation to conform with the requirement. More specifically, for projects where the Approved Vendor is not also the project owner and the host, the site control must be executed by two parties, (1) the system host AND (2) the installer, Approved Vendor, or developer. Edits to the final Guidebook address this concern.

[2] Id.

Guidebook Updates Related to Consumer Protection

Nested Designee Registration

One commenter suggested that the registration of a Nested Designee should require approval by the Approved Vendor, especially since an Approved Vendor may ultimately be held responsible for actions of its Designees and Nested Designees. While the IPA understands the concern, this does not appear to be feasible currently in the Portal. An individual Designee may be registered under multiple Approved Vendors, and the Nested Designee registration is linked to the specific Designee, but the Portal does not have a mechanism for a Nested Designee to be linked to only specific Approved Vendors, and not to other Approved Vendors under whom the parent Designee is registered. The Agency and Program Administrator will consider whether a Portal update to allow for AV sign-off on Nested Designee registration may make sense in the future. The Agency does note that Approved Vendors may make it a requirement in their Designee Management Plan (and in any relevant business contracts) that their Designees must get approval before registering a Nested Designee.

Approved Vendor Responsibility for Designees

The Agency also received feedback that edits to the introduction in Section 3 of the Illinois Shines Program Guidebook appear to impose a new disciplinary standard under which Approved Vendors may be disciplined for the actions of their Designees and Nested Designees. These requirements are not new; the Introduction to the Consumer Protection Handbook states that "Approved Vendors and Designees may be disciplined for the failure of [entities acting on behalf of the Approved Vendor or Designee] to follow the Consumer Protection Handbook or other Program requirements through suspension of eligibility to receive or otherwise benefit from Program-administered REC delivery contracts."[3] However, given the concerns raised, the Agency has added language to Section 3 of the Program Guidebook to clarify that disciplinary focus is generally placed on the entity that is directly responsible for the conduct in violation of Program requirements. In addition, the Agency considers numerous factors in determining whether to impose disciplinary action on an entity, including "whether the Approved Vendor (or primary

[3] This language, or similar language, was included in the 2022, 2023, 2024, and 2025 Consumer Protection Handbooks, as well as the Marketing Guidelines from 2021.

Designee) knew or should have known of the conduct and/or had processes in place to prevent it" (see Section X.C.2 of the Consumer Protection Handbook).

Submission of Customer Contracts

The Agency proposed that Approved Vendors be required to upload the customer's sales contract, lease, or PPA as part of the Part I project application, as well as the customer-AV REC contract for customer-owned projects (see Section V.F). The feedback was supportive, but a stakeholder requested that the Agency clarify how the new documents would be used and whether evaluation of these documents would be part of the standard project application review. The Agency has added a footnote in the Guidebook to clarify that the Program Administrator intends that the application processing team will confirm that the documents have been attached, and will confirm customer name, address, and that the document has been signed and countersigned. Review beyond that will be as needed if relevant to a consumer complaint or consumer protection initiative.

Community Solar Subscription Resizing to Meet Customer Usage

Stakeholder feedback was supportive of proposed edits that would create greater flexibility in resizing community solar subscriptions to meet changes in customer usage (see Section V.E). One commenter suggested an approach for allowing customers who signed the current Disclosure Form to "opt in" to this flexibility. The Community Solar Disclosure Forms will be updated for the 2026-27 PY to note that the subscription size may change to meet customer usage, if allowed in the subscriber agreement. While that disclaimer is not on current Disclosure Forms, the current Disclosure Forms note that the subscription size "may vary by the greater of 5kW or 25%." The new option in the Program Guidebook still requires notice to the customer if the subscription changes by more than 2 kW or 10%. Since the customer will still get notice, the Agency has determined that the new option for resizing to meet customer usage will be available even for customers who signed their Disclosure Form prior to the 2026-27 PY, as long as all applicable requirements are met, and has added a footnote to that effect.

One stakeholder stated that the Program Guidebook should also provide exemptions from the general rule that changes in information in a Disclosure Form require the execution of a new Disclosure Form for other situations, providing the examples of a change in "the customer's bill spend, a change in the project's production, and a change in the utility's price." The Agency and Program Administrator maintain a document titled, "Disclosure Forms - Circumstances Requiring New DF Issuance and Signature" available at https://illinoisshines.com/vendor-disclosure-form-

resources/. The Agency will consider whether additional information should be added to this document. For example, the utility price to compare changes multiple times every year; this does not require the execution of a new Disclosure form.

Suggested Changes to Illinois Shines Community Solar Disclosure Form and Enrollment Requirements

One stakeholder argued that the IPA should substantially redesign Disclosure Form requirements for community solar in order to reduce purported barriers to enrollment, including allowing community solar providers to generate Disclosure Forms entirely outside and without communication with the Portal, with the Disclosure Form only uploaded after completion. The Agency recognizes that the new approach under the Clean and Reliable Grid Affordability Act, under which the utility applies the net credit (rather than both a credit and a fee), has consumer benefits. The Agency does note that this approach is only utilized when the utility performs the "billing" for the community solar subscription fee, which is not a Program requirement for Illinois Shines.

Illinois Shines does offer an Application Programming Interface ("API") for the generation of Disclosure Forms outside of the Portal. However, the vendor's computer program that generates the Disclosure Form must communicate with the Portal when generating a Disclosure Form. This has multiple benefits. First, it allows each Disclosure Form to have a unique identification number, which is included on the document received by the customer. Second, the electronic communication with the Portal ensures that the customer receives the current version of the Disclosure Form and that the calculations embedded in the Disclosure Form are based on the current inputs (which change multiple times per year). Third, it allows the IPA and Program Administrator visibility into every Disclosure Form created for an Illinois Shines customer or potential customer. The Agency understands that this may make it more challenging to complete an enrollment in a single sales interaction, especially if hard-copy documents are required or requested. However, there are significant operational and consumer protection benefits.

Data Integrity: Having every Disclosure Form created directly in the Portal or through an API ensures data integrity. It allows the Portal to remain the source of truth for Disclosure Form information, and ensures consistency with any Disclosure Forms presented to customers, with a unique identification number present on all electronic or hard copies. It also ensures that the information like the savings calculations are correct and consistent with any other Disclosure Forms the customer may receive. If companies could print off blank forms and fill them out by

hand, customers would potentially receive Disclosure Forms with sloppy or illegible text, and any information contained would then have to be manually entered into the Portal, which would likely introduce errors.

Customer Assistance: Program visibility into all Disclosure Forms also has significant advantages. For example, under the current system, any customer with an Illinois Shines Disclosure Form could call into the Program Administrator with a question, and the Program Administrator could pull up a copy of that Disclosure Form, including information about how, when, and by whom it was generated. Under the proposed approach, the Program Administrator would have no information about a Disclosure Form, even the fact that it had been generated, until and unless it was signed and then uploaded into the Portal.

Market monitoring and investigations: While the commenter is correct that Disclosure Form requirements do not completely prevent "slamming," they do give the Program Administrator better information when slamming allegations and other complaints are made, and they better allow the Program Administrator to monitor the market and investigate complaints. First, because most Disclosure Forms are signed electronically, the Program Administrator can determine if the Disclosure Form was sent to an email address that was not the customer's, which may give insight into who signed the Disclosure Form. In addition, if Disclosure Forms were generated entirely off-portal, none of the contextual information would be preserved. For example, visibility into when Disclosure Forms were generated, paired with customer addresses, can give insight into which Disclosure Forms were likely the result of door-to-door sales, and which may have been generated by the same individual agent. If a consumer calls in and reports problematic marketing but does not know who the company was, and they did not receive a Disclosure Form or enroll, the Program Administrator can look for Disclosure Forms generated in the same geographical area at the same time to gain insight into which vendor may have been responsible. This type of visibility can have significant value in the Program Administrator's oversight of Approved Vendor and Designee activities.