

## J. REC Pricing

### Background of Incentives via RECs

Renewable Energy Credits (“RECs”) represent the environmental value of the electricity generated from solar panels, but not the electricity itself. A REC is issued when 1 MWh of electricity is generated by a renewable energy source, such as solar power. Utilities purchase RECs to meet their obligation to supply a certain amount of power from renewable energy. Incentives for projects participating in the Illinois Shines program are generated through the purchase of RECs by an Illinois electric utility through a binding contract with an Approved Vendor. Each Program Year, REC prices are set by the IPA for the block capacity that is made available across project categories. Incentive levels, expressed in REC prices, vary by group and category, and are based upon the project’s category, size, and location. The incentive level that an Illinois Shines project will receive is the total of the expected amount of RECs (as verified in the Part II verification) the project will generate over the course of the REC contract it is on (either 15 or 20 years) multiplied by the associated REC price.

The process for payment of incentives per REC for a project from the contracting utility to the Approved Vendor is further outlined in Section 8.

### REC Pricing for 2026-27 Program Year

The following tables list the prices for RECs by each identified Group and category for the block of capacity available for the Program’s 2026-27 Program Year. Note that the REC price associated with a project submitted to the EEC project category will follow the REC pricing associated with that project’s group, (i.e., Group A or B), project type (Small DG or Large DG), and project size. Community solar projects that are submitted to the EEC category will receive TCS pricing based on the project’s Group and size.

Distributed Generation		
	Group A	Group B
0 – 10 kW AC	\$70.37	\$80.77
>10 – 25 kW AC	\$60.92	\$79.21
>25 – 100 kW AC	\$59.53	\$69.65
>100 – 200 kW AC	\$55.63	\$65.09
>200 – 500 kW AC	\$45.64	\$53.40
>500 – 2,000 kW AC	\$42.37	\$49.57
>2,000 – 5,000 kW AC	\$31.96	\$37.39

Traditional Community Solar		
	Group A	Group B
0 – 25 kW AC	\$57.49	\$70.91
>25 – 100 kW AC	\$58.84	\$72.15
>100 – 200 kW AC	\$57.50	\$69.58
>200 – 500 kW AC	\$53.46	\$64.20
>500 – 2,000 kW AC	\$46.02	\$54.24
>2,000 – 10,000 kW AC	\$33.99	\$39.98

Community-Driven Community Solar		
	Group A	Group B
0 – 25 kW AC	\$80.66	\$96.74
>25 – 100 kW AC	\$81.88	\$97.27
>100 – 200 kW AC	\$78.09	\$93.45
>200 – 500 kW AC	\$68.02	\$85.02
>500 – 2,000 kW AC	\$58.77	\$71.34
>2,000 – 10,000 kW AC	\$50.48	\$57.35

Public Schools		
	Group A	Group B
0 – 25 kW AC	\$77.17	\$93.17
>25 – 100 kW AC	\$68.57	\$84.96
>100 – 200 kW AC	\$65.81	\$76.91
>200 – 500 kW AC	\$57.72	\$66.88
>500 – 2,000 kW AC	\$54.51	\$61.04
>2,000 – 10,000 kW AC <sup>1</sup>	\$42.15	\$46.74

<sup>1</sup> Please note that distributed generation projects within the Public Schools category cannot be greater than 5 MW.

## Small DG Customer-Owned Project Adder

To alleviate the known challenge of the lost availability of the federal Investment Tax Credit (ITC) for Small DG customer-owned projects, a \$20/REC adder for customer-owned Small DG projects will be available during the 2026-27 Program Year. “Customer-owned” refers to a project where the Approved Vendor’s customer owns the project rather than leasing or executing a Power Purchase Agreement.

A project will only be eligible if: (1) it is a Small DG category project, (2) it is identified as customer-owned in the Part I application, (3) the Approved Vendor demonstrates that the customer contract is for customer ownership (i.e. not a lease or some other arrangement), and (4) the Approved Vendor demonstrates that the project has not received or will not receive an ITC or residential clean energy tax credit.

Approved Vendors requesting the Small DG Customer-owned REC adder must disclose the adder in the customer’s Disclosure Form and attest to the attestation in Appendix H of this Guidebook.

If after ICC approval of the project, the ownership of the project changes such that it is no longer customer-owned, or the project will or does take advantage of the federal ITC or residential clean energy credit, the adder will not be included in the final REC price at the time of the Part II application verification. At the time of Part II application, the Approved Vendor must again attest that the project is customer-owned and will not receive the ITC or residential clean energy tax credit.

## Community Solar Rooftop Adder

For community solar projects mounted on a rooftop, a \$5/REC adder will be applied to the REC price. To be eligible for the adder, the project design submitted to the Program will need to specify that the system is a roof-mounted system. If after ICC approval of the project, the design of the project changes and it is ultimately built as a ground-mounted system, the adder will not be included in the final REC price.

This adder is extended to rooftop community solar projects in the Traditional Community Solar, Public Schools, and EEC categories. This adder is not extended to Community-Driven Community Solar projects. Additionally, in order to be eligible for this adder the entire system must be roof-mounted.

## EEC DG Adder (Only Available Under the 2026 REC Contract)

For projects participating in the Distributed Generation subcategory of the Equity Eligible Contractor category, a \$5/REC adder will be applied to the REC price.

## EEC CS Self-Perform Adder (Only Available Under 2026 REC Contract)

For projects participating in the Community Solar subcategory of the Equity Eligible Contractor category where the EEC Approved Vendor “self-performs” most of the engineering, procurement and construction (“EPC”) or development work, as determined by the IPA or Program Administrator, a \$5/REC adder will be applied to the REC price.

“Self-performance” is further defined as project development or construction activity performed by an EEC AV, EEC Designee, or EEC Subcontractor that takes place before the submittal of the Part I application (i.e., engineering, interconnection, shading studies, negotiating site control agreements, design calculations, applying for land use permits, and creating plot diagrams and site maps for all systems). This definition also includes project operations that are executed after Part I application submission but before Part II application submission (i.e., construction of the system, construction management, commissioning, professional services, inspection, certificate of completion, fulfilling community solar subscriptions). EEC AV services shall not count towards EEC self-performance.

At the time of Part I submission, Approved Vendors requesting the EEC CS Self-Perform REC adder must attest to the attestation in Appendix H of this Guidebook. Additionally, the Approved Vendor must provide a written narrative describing all the pre-development activities performed prior to Part I Application and all the activities to be performed prior to Energization of the project.

## Stranded Customer Adder

The Program continues to see more stranded customers as the Program ages. In order to address this issue, the Agency launched an economic incentive for Approved Vendors that assist stranded customers, as defined in Section 3.E. in the form of a REC adder— that is, an increased REC price for RECs generated by projects that were stranded and then “unstranded.” Information on funding, eligibility, adder values, and request process for the Stranded Customer Adder can be found in Section XII.C. of the Consumer Protection Handbook.

## Changes in REC Prices

In response to the Program’s shift from a declining block price structure to an annual block structure, and in an effort to eliminate gaming opportunities, projects submitted to the Program will not be permitted to receive a REC price higher than the price available at the time of its initial submission to the Program (i.e., an application cannot be withdrawn and resubmitted in order to receive a higher REC price). In the case where a project has been continuously waitlisted, it will receive the REC price associated with the block of capacity to which the project is assigned when the project is selected off the waitlist. The only exception to this general rule is the REC adder being offered to Approved Vendors that take on stranded customers as outlined above. The details regarding this new adder can be found in Section 3.E.