

ILLINOIS SHINES

DISTRIBUTED GENERATION CONTRACT REQUIREMENTS

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COMPLIANCE REQUIRED BY JUNE 2, 2025*



*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.

Note that Illinois Shines does NOT require the submission of a signed contract (or a contract amendment bringing a previously signed contract into compliance with the below requirements) for every system purchase, lease, or PPA, provided that all Illinois Shines requirements, such as demonstrating binding site control, are met through other means. As stated in the Plan, the Agency retains the right to request copies of installation contracts from Approved Vendors. **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.

1. Common Contract Requirements for all business models

- Right of rescission within three or more calendar days (only for systems $\leq 25\text{kW}$);
- System design specification:
 - Site plan or equivalent drawing (this may be incorporated by reference, in which case 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);
 - Size of system; and
 - Estimated first year production and annual degradation.
- If performance guarantee is provided:
 - Host or owner's remedy in case of underperformance; and
 - Host or owner's procedure to lodge a claim under the performance guarantee.
- Change in pricing or other terms, if any, in the event of non-selection for an Illinois Shines REC contract. As an example, a condition precedent clause would satisfy this requirement;
- Responsibility for interconnection application;
- If warranty is provided:
 - Term of warranty;
 - Defects covered (e.g. faulty installation, malfunctioning components beyond manufacturer's warranty, roof damage);
 - Financial limits on warranty;

- Warranty provider; and
- Host or owner's procedure to lodge a claim under warranty.
- Allocation of maintenance obligations between host or owner & installer;
- Allocation of responsibility for entering meter data (this provision could be in a separate contract);
- All possible fees (other than those mentioned in #2, #3, and #4 below);
- Events of default;
 - Remedies of both host or owner & installer in case of default.
- Dispute resolution procedures; and
- Governing law.

2. Contract Requirements specific to Purchase Transactions

- Total price:
 - Down payment, if any; and
 - Schedule of subsequent payments.
- Type of panels;
- When title transfers to owner;
- Provisions for owner's transfer of RECs to Approved Vendor (this provision could be in a separate contract);
- If applicable, the amount of any pass-through of the Illinois Shines incentive payment from the Approved Vendor to the customer:
 - This provision may be in a separate contract;
 - This provision may describe the pass-through amount as a set dollar amount or as a percentage of the total REC value of the project;
- Owner's rights and obligations upon selling the property; and
- When mechanic's lien waiver(s) will be provided.

3. Contract Requirements specific to PPA Transactions

- Frequency of periodic (e.g. monthly) payments;
- Method of invoicing and payment;
- Pricing terms (including escalation);
- Date of first payment;
- Term of PPA arrangement;
- Early termination fee, if any;

- Whether system removal is (i) mandatory or (ii) at the host's election or (iii) not possible upon contract termination;
 - System removal fee, if any.
- Whether the customer has right to purchase the system:
 - before end of lease term; or
 - upon end of lease term; and
 - In either case, economic terms for purchase.
- PPA term renewal: automatic? At host's option? Not at all? What are the economic terms?
- System owner's right to file UCC-1 statement;
- Allocation of responsibility to maintain insurance on system, and the required insurance terms;
- Allocation of risk of loss in case of damage to system;
- Host's rights and obligations upon selling the property;
 - Requirements for transferring the PPA agreement to the new property owner.

4. Contract Requirements specific to Lease Transactions

- Initial payment;
- Frequency of periodic (e.g. monthly) payments;
- Method of invoicing and payment;
- Pricing over time (including escalations);
- Date of first payment;
- Term of lease;
- Early termination fee, if any;
- Type of panels;
- Whether system removal is (i) mandatory or (ii) at the host's election or (iii) not possible upon contract termination;
 - System removal fee, if any.
- Whether lessee has right to purchase the system:
 - before end of lease term; or
 - upon end of lease term; and
 - In either case, economic terms for purchase.
- Lease term renewal: automatic? At lessee's option? Not at all? What are the economic terms?
- Lessor's right to file UCC-1 statement;

- Allocation of responsibility to maintain insurance on system, and the required insurance terms;
- Allocation of risk of loss in case of damage to system;
- Lessee's rights and obligations upon selling the property;
 - Requirements for transferring the lease to the new property owner.