STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Power Agency	)	
	)	
Petition for Approval of the IPA's 2026	)	ICC Docket No. 25-_____
Long-Term Renewable Resources Procurement	)	
Plan Pursuant to Section 16-111.5(b)(5)(ii)	)	
of the Public Utilities Act.	)	

THE ILLINOIS POWER AGENCY'S VERIFIED PETITION FOR APPROVAL OF ITS 2026 LONG-TERM RENEWABLE RESOURCES PROCUREMENT PLAN PURSUANT TO 220 ILCS 5/16-111.5(b)(5)(ii)

Pursuant to the authority granted by the Illinois Power Agency Act, 20 ILCS 3855/1-5, *et seq.*, and the Illinois Public Utilities Act, 220 ILCS 5/1-101, *et seq.*, the Illinois Power Agency ("IPA" or "Agency") hereby submits to the Illinois Commerce Commission ("Commission" or "ICC") for consideration and approval its proposed plan for the procurement of renewable energy credits ("RECs") for Ameren Illinois Company ("Ameren Illinois"), Commonwealth Edison ("ComEd"), and MidAmerican Energy Company ("MidAmerican") (collectively referred to as the "Utilities") under Sections 1-56(b) and 1-75(c) of the Illinois Power Agency Act (20 ILCS 3855) ("IPA Act") and Section 16-111.5(b)(5) of the Public Utilities Act (220 ILCS 5) ("PUA").

The IPA's 2026 Long-Term Renewable Resources Procurement Plan ("2026 Plan," "Long-Term Plan," or "Plan"), attached to this filing, sets forth the Agency's proposals for the procurement of RECs—tradeable credits representing the environmental attributes of one megawatt hour of energy produced from a qualifying renewable generating facility as required by Sections 1-56(b) and 1-75(c) of the IPA Act.

In accordance with Section 16-111.5(b)(5)(ii)(C) of the PUA, the Illinois Commerce Commission is required to enter its Order "confirming or modifying" the Plan within 120 days after this filing.[1] As the IPA believes that its 2026 Long-Term Renewable Resource Procurement Plan will "reasonably and prudently accomplish the requirements of Section 1-56 and subsection (c) of Section 1-75 of the Illinois Power Agency Act,"[2] the Agency respectfully requests its approval.

BACKGROUND

This 2026 Plan incorporates much of the robust content contained in both the 2022 and 2024 Long-Term Plans, approved by the Commission in Docket Nos. 22-0231 and 23-0714 respectively. It also makes modifications based on legislative changes, introduces program improvements and sets procurement targets and budgets that push Illinois towards meeting its statutory renewable energy goals.

Illinois continues to see remarkable growth in the renewable energy sector driven by the Agency's programs and procurements. The Illinois Shines Program has led to the energization or planned development of over 3,000 MW of new solar generation throughout Illinois thus far, and furthermore supports over 350 active Approved Vendors participating in the Program. The Illinois Solar for All Residential Solar (Small) sub-program has seen an unprecedented increase in participation in the 2024-25 Program Year with $21,585,394 incentives being awarded. Additionally, in the 2024-25 Program Year, the Residential Solar (Small) sub-program was able to exceed the 25% carveout for energy sovereignty, and the Home Repairs and Upgrades Pilot Initiative awarded its maximum budget for both the 2024-25 and 2025-26 Program Years.

[1] 220 ILCS 5/16-111.5(b)(5)(ii)(C).
[2] 220 ILCS 5/16-111.5(b)(5)(ii)(D).

Alongside the growth in IPA programs, the Agency has made significant progress on the consumer protection initiatives approved in the 2024 Long-Term Plan. The IPA launched Phase I of the new Solar Restitution Program in May 2025, with approximately 200 claims received so far. The IPA launched the new escrow process in June 2025 and expects the new Stranded Customer REC Adder to be available this Fall. The IPA continues to see sustained progress in its MES and compliance efforts as well. Since the Equity Accountability System launched in the 2023-24 Delivery Year, the IPA has seen significant progress toward the goal of providing equitable access to the clean energy economy in Illinois. The EAS Assessment found that 78% of participating entities met or exceeded the 10% MES requirement in the inaugural year. Additionally, as of July 31, 2025, the Energy Workforce Equity Portal had approved participation for 229 clean energy companies and registered over 1,800 individuals as Equity Eligible Persons.

PROCEDURE

The Agency's efforts in drafting its 2026 Long-Term Plan began in the spring of 2025. The Agency conducted a written comment process in May and June 2025, providing useful stakeholder guidance for draft 2026 Long-Term Plan development.[3]

As required by Section 1-75(c)(1)(A) of the IPA Act, the IPA's Draft 2026 Long-Term plan was released for public comment on August 15, 2025. As with the IPA's annual procurement plan prepared pursuant to Section 16-111.5(d)(2) of the PUA, the Draft Plan was posted to the IPA's website and provided to each affected electric utility. As required by Section 16-111.5(b)(5)(ii)(B) of the PUA, stakeholders were provided with 45 days for written comments

[3] The Request for Stakeholder Feedback published May 19, 2025 can be found at 20250519-announcement-2026- ltp-requests-for-chapter-feedback.pdf. The Requests for Stakeholder Feedback published June 25, 2025 can be found at 20250625-stakeholder-questions-rps-budget-rec-price-25jun2025.pdf. Comments on the Draft Long-Term Plan can be found at Stakeholder Feedback on Draft 2026 Long-Term Renewable Resources Procurement Plan.

on the Long-Term Plan, and a virtual public hearing was held for each applicable utility's service area (with all three hearings taking place on September 25, 2025).

Twenty-three commenters provided feedback on the draft Long-Term Plan. Those commenters were: Advanced Energy United; Ameren Illinois; American Farmland Trust; Ampion, PBC.; BOW Renewables; Carbon Solutions Group; Clean Grid Alliance; Climate Jobs Illinois; Commonwealth Edison; Equity Solar Illinois; Illinois Farm Bureau; Illinois Finance Authority; Illinois Solar for All Working Group;[4] Joint Commenters;[5] Joint Solar Parties;[6] Lightstar Renewables; Metropolitan Mayors Caucus; Nelnet Renewable Energy; Selenium Energy; Solar Landscape; Summit Ridge Energy; Third Pillar Solar; and Vistra Corp.[7]

The Public Utilities Act provides that, after the conclusion of the comment period, "the Agency may revise the long-term renewable resources procurement plan based on the comments received."[8] Within 21 days after the conclusion of that period, the Agency was required to "file the plan with the Commission for review and approval," creating a filing deadline of October 20, 2025.[9] The 2026 Long-Term Plan filed herewith for Commission review and approval reflects the revisions made by the Agency in response to, and consideration of, the comments received.

[4] The Illinois Solar for All Working Group is A Just Harvest, ARF Solar LLC, Citizens Utility Board, Faith in Place, Illinois Environmental Council, Prairie Rivers Network, Seven Generations Ahead, Vote Solar and Xolar.
[5] The Joint Commenters are A Just Harvest, Citizens Utility Board, Third Act Illinois, Illinois Environmental Council, vote Solar, Union of Concerned Scientists, and Environmental Law and Policy Center.
[6] The Joint Solar Parties are the Solar Energy Industries Association, the Coalition for Community Solar Access, and the Illinois Solar Energy Association
[7] Comments on the Draft 2026 Long-Term Plan are posted on the Illinois Power Agency's website at https://ipa.illinois.gov/renewable-resources/long-term-plan/stakeholder-feedback-on-draft-2026-long-term-renewable-resources.html.
[8] 220 ILCS 5/16-111.5(b)(5)(ii)(B).
[9] Id.

IPA'S PROPOSED CHANGES ON THE DRAFT 2026 PLAN FROM THE COMMISSION-APPROVED 2024 PLAN

In the Draft Plan published on August 15, 2025, the Agency sought to improve its programs and procurements under the IPA Act and to address issues that arose since the Commission's approval of its 2024 Long-Term Plan in February 2024 and the drafting of this 2026 Long-Term Plan. Those changes include, but are not limited to:

- Plan modifications to implement P.A. 103-1066, including flexibility around procurement targets from specific technologies, mechanisms that the Agency must employ in the instance of an actual RPS budget shortfall, and ensuring prompt and uninterrupted payments under approved REC Contracts in such instances;
- Establishment of the Illinois Shines program size at 1,000 MW and 800 MW for the 2026-27 and 2027-28 Program Years, respectively;
- Updates to administratively-set REC prices in the Illinois Shines and Illinois Solar for All programs to account for market conditions, including implementing a $20 REC adder for the Small Distributed Generation category in Illinois Shines to address the expedited phase out of the federal Investment Tax Credit;
- Adjustment of the Agency's co-location requirements;
- Defining "Abandoned Contracts" and proposing relief to be provided to Approved Vendors upon the occurrence of an Abandoned Contract;
- Creation of a definition of a "small and emerging business" for both Illinois Shines and Illinois Solar for All and addressing burdens these business face to accessing capital, allowing for smaller initial batch sizes, and facilitating participation in Illinois Solar for All;

- Updating Community Solar scoring guidelines and extending allowable development time from 24 to 36 months;
- Increasing the Solar Restitution Program cap for claims based on the conduct of a single Approved Vendor or Designee from $200,000 to a soft cap of $2 million and a hard cap of $3 million;
- Developing a new requirement for EEC Approved Vendors to demonstrate that the EEP owner(s) manage and control the business, in order to protect the EEC category of Illinois Shines;
- Amending the schedule of Minority Equity Standard ("MES") increases to provide the clean energy sector additional time to develop the workforce pipelines needed to meet MES requirements, while remaining on track to meet the eventual 30% minimum MES;
- Streamlining the MES reporting process by combining the MES Compliance Plan and Year-End Report for all participants in IPA-administered programs and procurements; and
- Introducing monetary compensation for mentors involved in the Illinois Shines Mentorship Program to strengthen the recruitment and retention of qualified mentors.

CHANGES MADE TO THE DRAFT LONG-TERM PLAN RESULTING FROM RE-OPENING OF THE 2024 LONG-TERM PLAN IN DOCKET NO. 23-0714

The IPA Act requires the Agency to procure 45 million RECs by 2030.[10] With each new iteration of the Long-Term Plan that the Agency prepares, the appropriate size of its programs and procurements is determined based on the timely execution of this goal and available RPS funds. Prior to the filing of this 2026 Long-Term Plan, the Commission voted to reopen the 2024 Long-

[10] 20 ILCS 3855/1-75(c)(1)(C)(i).

Term Plan to address changes in federal law that significantly impact the development, financing, construction, and operation of renewable energy resources.[11] On October 16, 2025, the ICC issued an Order on Reopening modifying the 2024 Plan to address those federal changes. Specifically, the Commission authorized: (1) expansion of the Illinois Shines program capacity in the 2025-26 Program Year, (2) pulling forward an additional $20 million from the Renewable Energy Resources Fund into the Illinois Solar for All budget in the current program year; (3) reallocating a portion of unused capacity across over-subscribed categories within Illinois Shines beginning April 1, 2026, (4) the Agency to adjust the wind-solar split for Indexed REC procurements in the Fall 2025 procurement event and acceptance of bids from over-subscribed technology utilizing the under-subscribed target capacity, (5) adding a target quantity of 666,666 annual RECs from utility-scale solar to the Fall 2025 procurement quantities, and (6) modifying future Indexed REC Contracts to address the federal changes.[12] While the Agency did not receive feedback from stakeholders related to the Illinois Shines program year capacity and procurement targets as proposed in the Draft 2026 Long-Term Plan, adjustments to the capacity for future Program Years were necessary due to impending size changes to the current 2025-26 Program Year authorized under the reopening of the 2024 Long-Term Plan.

As a result of the changes to REC procurement quantities in the current 2025-26 Program Year under the 2024 Plan on October 16, the Agency adjusted the REC procurement targets for the delivery years that are covered under this 2026 Long-Term Plan to prevent the over-procurement of RECs and ensure the precise fulfillment of the REC procurement target outlined

[11] See Notice of Commission Action, ICC Docket No. 23-0714 (Aug. 21, 2025).
[12] Order on Reopening, ICC Docket No. 23-0714 (Oct. 16, 2025).

in Section 1-75(c)(1)(C)(i) of the IPA Act. These changes are laid out in Chapters 3, 5, and 7 of the 2026 Long-Term Plan.

COMMENTS ON THE DRAFT 2026 PLAN

As noted above, the Agency received 23 sets of comments on the Draft 2026 Long-Term Plan. The Agency is grateful for the commenters' feedback and carefully considered each comment before filing this Long-Term Plan. Many of the comments contained helpful feedback and the IPA appreciates, in particular, commenters who responded to the requests for feedback solicited within the Draft Plan. While the Agency made numerous modifications to the draft Plan based on stakeholder feedback, this Petition highlights the most substantive changes resulting from comments and discusses select additional proposals not included in the filed Plan.

COMMENTS/PROPOSED CHANGES ACCEPTED FROM DRAFT 2026 PLAN

1. Alternative Compliance Payment Funds Held by the Utilities

In Section 3.3.2 of the Draft 2026 Long-Term Plan, the Agency proposed a process for the use of utility-held Alternative Compliance Payments ("ACPs"), which are legacy funds that were collected from ARES providers prior to the enactment of the Future Energy Jobs Act, P.A. 99-0906. The Agency explained that prior iterations of the Plan provided that utility-held ACP funds would be used as a reserve balance that could cover expenditures for both Forward Procurements and the Illinois Shines program in excess of Section 16-108(k) collections, in order to minimize the risk that contractual expenditures would need to be pulled back. In the Draft 2026 Plan, the Agency noted that due to the enactment of P.A. 103-1066, the prior process for use of utility-held ACP funds was no longer relevant. Instead, the Agency proposed rolling available ACPs over to RPS Collections in order to address a potential budget deficit.

Four stakeholders commented on the Agency's proposal; two were in favor of IPA's proposal, but two expressed concerns that the proposal would increase future budget shortfalls and the likelihood that utilities will have to collect additional money from ratepayers in order to pay for existing REC contracts. One stakeholder also noted that Table 3-14 of the Draft Plan included ACPs starting in the 2025-26 Delivery Year even though the text of the Draft Plan indicated in Section 3.3.2 that ACPs would be rolled over to RPS Collections in a later year.

The Agency appreciates the stakeholder feedback on the proposal for the treatment of utility-held ACPs and has carefully considered the implications of the proposal in light of this feedback. The Agency has determined that it will continue to include ACPs in the RPS Budget. Under Section 1-75(c)(1)(E-5) of the IPA Act, the Buyer is required to "remit full payment to the sellers to ensure prompt and uninterrupted payment of existing contractual obligation." As a result, the ACPs will be used to cover full, prompt, and uninterrupted payments associated with existing contractual obligations.

The Agency notes, however, that the inclusion of ACPs starting in the 2025-26 Delivery Year was an error. The budget analysis has been amended to include ACPs starting in the 2026-27 Delivery Year in order to leverage ACPs to support continuing procurement activities during that Delivery Year.

2. Attrition Rate in RPS Budget Model

In previous iterations of the Long-Term Plan, including the Draft 2026 Plan, the RPS Budget Model assumed an attrition rate of zero for projected RECs contracted from competitive procurements. The Agency used this rate to avoid underestimating future costs associated with procuring RECs in the RPS Budget. Stakeholder feedback received on the Draft 2026 Plan noted that the actual attrition rate of RECs has historically been much higher than zero. After considering

this feedback, the IPA has updated its RPS Budget Model using a 20% attrition rate. This attrition rate, while still conservative, better reflects market conditions and will lead to more accurate RPS Budget modeling.

3. Forward Energy Prices

As described in Section 3.3.10 of the Draft Plan, the Agency modeled three distinct energy price future conditions in order to understand the impact of changing forward prices relative to RPS Budget needs. The Agency received feedback that the forward prices used by the Agency in its modeling (see Table 3-15) are lower than the forward prices offered in other models, and as a result, the Agency may be underestimating future RPS budget shortfalls. In addition, the feedback noted that historically, more Indexed REC contracts have chosen ILHUB than NIHUB[13] as their pricing point, and thus the IPA should consider giving greater weight to the ILHUB forward curve in the budget analysis.

In response to this feedback, the Agency recognizes the value in exploring this recommendation in future RPS Budget forecasts, particularly because the nodal price differentials between the NIHUB and ILHUB can and do occur. The Agency does not currently have details on which projects have selected or plan to select each node and therefore was unable to complete any prospective analysis. Going forward, the Agency proposes to collaborate with the utilities to ascertain documentation between the utilities and developers that details the hub selection, which the Agency can then use when developing forward price curves for use in the RPS Budget Model.

[13] The ILHUB (or Illinois Hub) is a MISO settlement node for the Illinois region, and the NIHUB (or Northern Illinois Hub) is a PJM settlement node for the Illinois region. Both ILHUB and NIHUB are settlement nodes for which interconnected generation resources can select for market settlement purposes through the PJM and MISO RTOs. Each nodal point or HUB has unique properties, with separate settlement prices and conditions.

The Agency did not change the forward curves used in its budget modeling; currently, the Agency assumes that half of the Indexed REC contracts will rely on ILHUB and half on NIHUB.

4. Procurement Schedules and Targets

The Agency strives to procure RECs as efficiently and dynamically as possible; however, procurement targets have historically been pre-determined and static. In order to maximize procurement events, the IPA introduced in the 2026 Draft Long-Term Plan proposals to increase flexibility into its procurement events for RECs from utility-scale projects. The Agency sought feedback in Section 5.6 of the Draft Plan regarding three mechanisms offering more dynamic procurement events. One instrument the Agency proposed allows the IPA to roll over unallocated capacity to increase the size of REC procurement targets at future procurement events to meet unfulfilled targets. The IPA also sought comments regarding rolling over unallocated RECs to other technologies that have unmet capacity, so long as the bid clears the benchmark regardless of technology, within the same procurement event. Finally, the Agency requested feedback regarding a proposal to re-allocate capacity from terminated projects into the next procurement event.

Commenters who submitted feedback on rolling over capacity to other technologies within the same procurement and rolling over unused capacity to the next procurement were unanimously supportive of the proposals. Commenters noted that these mechanisms would help Illinois reach the number of RECs it is required to produce under the IPA Act and remove the frustrating scenario where one technology has more qualifying RECs than it is able to procure while another technology has fewer qualified RECs than available capacity. Further, the ability to re-allocate REC capacity from one technology type to another, in the same procurement event, if the benchmark is cleared, was approved by the Commission in the re-opening of Docket 23-0714.

Based on supportive feedback, the IPA proposes to implement these strategies into procurement events occurring under the 2026 Long-Term Plan.

5. Indexed REC Contract Flexibility

Recognizing the unpredictability inherent in the development of wind and solar projects, the Agency has introduced limited contract flexibilities in its most recent Summer 2025 Procurement Event. These provisions include allowing for five years of generation shortfall (rather than three) before an Event of Default results; an underperformance allowance in the first two Delivery Years; allowing a self-designated degradation factor of up to 1%; an opportunity to change a project's capacity; and the option to enter bids with a one-time automatic strike price adjustment of 15% based on an inflation formula.

The IPA offered an opportunity to provide feedback on contract challenges not addressed by these mechanisms in the 2026 Draft Long-Term Plan. One commenter suggested that the Agency should consider other financial risks, including interest rate financing and tariff and trade policy, when making any adjustments to the above-described mechanisms. Another commenter suggested allowing a Seller to automatically terminate a project if it becomes uneconomic. Still another commenter suggested that a 15% inflation adjustment mechanism could be insufficient to fully offset the impact of tariffs.

While the Agency appreciates that the impact of tariffs and other market factors could be substantial for sellers, at this time, it considers the existing contract provisions to be the most reasonable attempts to mitigate Sellers' risks. The Agency also notes that these mechanisms have only been used in the most recent iteration of the Indexed REC Contract, and there is no evidence yet to suggest that they are insufficient. Regarding the request for a contract provision tied directly to tariffs, the Agency expects that effects of tariffs will be captured by the indices in the Inflation

Adjustment Strike Price Adjustment Mechanism and will be reflected in a timely manner. The effects of tariffs on inflation are typically seen within six months to a year after their imposition. Because the inflation mechanism is typically activated at the financial closing date for the project, which is often months to years after the bid approval, the Agency expects that the tariff's impact on interest rates will be properly accounted for in the inflation adjustment mechanism. Regarding the ability to cancel uneconomic contracts, the Agency notes that it does offer this option at the Agency's discretion, which is necessary to properly protect Buyers. Finally, the Agency notes that the 15% inflation adjustment was a product of thorough modeling and stakeholder feedback, and it considers adjusting the current factor premature without evidence that the mechanism is insufficient.

The IPA acknowledges the myriad economic challenges faced by competitive procurement suppliers and genuinely appreciates commenters' responses. While changing contract provisions is premature at this point, the Agency notes that stakeholder feedback is a key feature of the Indexed REC Contract development process and will continue to welcome stakeholder feedback during that process.

6. Regulatory Continuing Provision

Since the passage of Public Act 102-0662, Indexed REC Contracts treat RECs as regulatorily continuing, meaning the Seller retains the primary risks related to changes of law or regulations that could affect the eligibility of RECs to meet the requirements of the contract. The Agency has a substantial interest in ensuring that contracts arising out of its competitive procurement events are financeable, and it has received substantial feedback that the regulatory continuing requirement of Indexed REC contracts poses significant financing challenges for

developers. In addressing the issue, the Agency also seeks to manage Buyers' risks of stranded costs.

In Section 5.7.4 of the Draft Long-Term Plan, The Agency sought feedback on a proposed modification to the regulatory continuing provision. In cases where a regulatory action fundamentally impacts the project, RECs, or other contractual obligation, Buyer and Seller would be permitted to petition the ICC to approve a non-price-related contract amendment. The Commission would then determine if an amendment was in the public interest and the IPA would implement the Commission's ruling. Two commenters supported the proposal, and one commenter urged the Agency to consider Buyers' risks outside of stranded costs, including potential impacts on how payment obligations may affect Buyers' credit metrics, which could impact ratepayers. The commenter further suggested addressing challenges caused by regulatory changes on a case-by-case basis. The Agency appreciates the commenters' concerns and has invited parties to this proceeding to continue the dialogue as to whether a provision allowing for Commission input both at the time of the adoption of the Long-Term Plan and again when approving changes to a contract, is the best mechanism to provide certainty to project developers and financers and cover for the counterparty electric utilities. The Agency anticipates that, by seeking feedback through this proceeding, parties will have an appropriate opportunity to fully clarify their concerns.

7. Surety Bonds as Collateral for Indexed REC Contracts

Cognizant of financing challenges facing developers, the Agency sought feedback regarding the option for Sellers to use surety bonds as an instrument of collateral for Indexed REC Contracts in Section 5.7.6 of the Draft 2026 Long-Term Plan. The feedback was largely supportive with most commenters stating they favored the option while two commenters were either opposed or considerably cautious about the proposal. Commenters opposing surety bonds or expressing a

preference for letters of credit explained that their primary concern is the potential additional time and processes required when a demand for payment is made to an issuer of a surety bond. In contrast to letters of credit, the commenters note that claiming on a surety bond necessitates a claim investigation in which the issuer could delay or deny the claim.

While it may be more time consuming and even costly for buyers to collect collateral in the case of non-performance, the benefits to Sellers under Indexed REC Contracts from a financing perspective outweigh those costs. Surety bonds feature lower costs, and because they do not appear on a balance sheet, the contractor retains important credit capacity. The Agency thus proposes in its 2026 Long-Term Plan to allow surety bonds as instruments of collateral under future Indexed REC Contracts.

8. Illinois Shines Traditional Community Solar Scoring Guidelines

Illinois Shines' Traditional Community Solar category has historically been oversubscribed with long waitlists; therefore, the scoring criteria routinely garners substantial stakeholder engagement. The Agency received numerous comments on this topic and made changes to various criteria based on that feedback. Commentors generally supported the increase from 1 to 2 points for projects committing to utilize agrivoltaics or dual-use solar, and additionally supported the broadened availability for projects to receive points if sited in a county that has five or fewer community solar projects, in the wake of the successful proliferation of community solar projects across Illinois. Commentors were divided in their response to the greenfield subtractor proposed in the Draft 2026 Long-Term Plan. The Agency refined this greenfield subtractor for clarity based on stakeholder feedback.

The Agency received feedback related to its consideration of floating photovoltaic projects within its scoring criteria for Traditional Community Solar projects. Based on this feedback, the

Agency clarified that it considers "man-made industrial or commercial waterbodies such as, but not limited to, industrial reservoirs, wastewater treatment lagoons, mined lands that have filled with water, or detention and retention ponds" to be "existing structures" within the meaning of criterion 1.b, as the Agency believes this is consistent with the spirit of this criterion and is consistent with previous Agency decisions in determining the scoring of floating project applications. However, the Agency chose not to make any changes to its definition of a "brownfield" based on stakeholder feedback because the definition of a brownfield is defined by Section 1-10 of the IPA Act and is further clarified in Section 5.4.2 of the Plan.

The Agency specifically sought feedback on how to refine its definition of "active grazing" and/or whether to utilize inspections and/or contracts between a landowner and a herd owner as evidence of active grazing. The Agency sincerely appreciates the feedback on this subject. Commentors generally supported the use of contracts as evidence. Some commentors who provided feedback on this issue also supported the increased use of inspections, though one commentor stated inspections were not its preference. Multiple commentors provided feedback that included consideration of a defined "growing season" or "grazing season," with recommendations that incorporated the timing of those seasons. Given the general support, and the lack of significant opposition to either, the Agency will opt to utilize both contracts between the herd owner and landowner (or solar farm owner/operator) as evidence as well as inspections to verify whether grazing is occurring prior to completing the Part II verification of a project. Based on the feedback regarding the importance of weather and season on this aspect of a project, the Agency also clarified that it will make reasonable allowances for weather in relation to the timing of a Part II application when verifying whether "active grazing" is occurring. The Agency will continue to refine this in collaboration with stakeholders.

9. Illinois Shines Small Distributed Generation REC Adder

In the Draft 2026 Long-Term Plan, the Agency recognized that recent changes in federal law substantially alter the expected future availability of the federal Investment Tax Credit ("ITC") for solar projects, but stated that it expected the 2026-27 Program Year to ultimately function as a "transition year," with many projects still able to access the ITC. However, the Agency received a number of comments in response to the Draft 2026 Long-Term Plan providing feedback that customer-owned Small Distributed Generation ("DG") projects did not expect to be able to access the ITC in the upcoming 2026-27 Program Year. To alleviate the known challenge of the lost ITC for Small DG customer-owned projects, the Agency proposes to offer a $20/REC adder for those projects during the 2026-27 Program Year only. The Agency understands that the loss of the ITC will present a significant challenge to these projects, necessitating the adder. The Agency determined a $20/REC adder would be feasible based on the constraints of the RPS budget, while also providing additional support to these projects. The Agency understands that some stakeholders might prefer a higher REC adder, however, the Agency must balance the limits of the RPS budget and further expects that developers will likely make other adjustments to account for the loss of the ITC as well. Details regarding the availability of, and eligibility for, this proposed REC adder can be found in Section 7.5.3 of the 2026 Long-Term Plan.

10. Development Time for Community Solar

The Agency received feedback from one commentor stating that the provided timeframe for development of a Community Solar ("CS") project in Section 7.11.1 of 24 months was too short when considering the realities of project development and suggested an extension to 5 years. The Agency reviewed the data available on Part II verified CS projects and found that the average number of months between ICC Approval and Energization (as defined under the REC Contract)

is 27 months. More than a third of Part II verified CS projects requested at least one extension. The Agency therefore determined it was appropriate to increase the development time allowed for CS projects and proposes to increase the energization timeline for these projects to 36 months.

11. Illinois Shines Abandoned Contracts

As the Illinois Shines program matures, the Agency has become aware of more instances where Approved Vendors experience difficulties related to their underlying customer for a specific project. These difficulties arise out of various circumstances, such as a change in property ownership due to a customer moving, dying, or going out of business. The Agency is monitoring this as an issue that poses a risk to ongoing REC delivery, but generally views the Approved Vendor as the party in the best position to mitigate this risk as the party that is entering into a contract with the customer. The Agency has observed this issue most often with residential Small DG projects, but does not understand this issue to be isolated within that category.

In the Draft 2026 Long-Term Plan, the Agency provided a proposed definition of an "abandoned contract" as "an Energized (Part II verified) system which is no longer delivering RECs to the utility due to a change in ownership of the real property upon which the system is sited." The Agency sought stakeholder feedback to help refine that proposed definition. One commentor urged the Agency to broaden its definition to include customer non-cooperation or unresponsiveness, even in instances where property ownership has not changed. The Agency does not believe this is prudent, as in these instances, the Approved Vendor is likely to be able to make use of existing, standard contractual remedies. Another commentor stated that non-delivery of RECs should be a threshold issue and suggested 12 months as a minimum timeframe before a contract could be considered "abandoned." Finally, one commenter agreed with the proposed

definition and additionally suggested firm triggers, such as a certain number of attempts to contact the customer in a variety of methods (i.e., phone, email, mail), be included within the definition.

Based on this feedback, the Agency updated its definition to confirm that non-delivery of RECs and a change in ownership of the real property on which a project is sited are key threshold aspects of an "abandoned contract." The Agency further updated the definition to include a requirement that Approved Vendors exercise "reasonable effort" to restore the delivery of RECs by the system at issue. The Agency expects to provide further guidance as to what constitutes "reasonable effort" through development of the Illinois Shines Program Guidebook, but expects that a sustained effort to contact a customer via multiple methods over a period of time will be appropriate. The Agency believes that it is appropriate to maintain some flexibility in defining what constitutes "reasonable effort" in this situation given the emerging nature of this issue and the idiosyncratic nature of these scenarios thus far.

With respect to relief for projects deemed eligible under these criteria, commentors advocated for broader relief than initially proposed. One commentor urged the Agency to utilize a REC contract amendment process to apply this relief retroactively. REC contract amendments are extremely time consuming and administratively burdensome for all parties, and the Agency is concerned that overutilization of REC contract amendments will undermine the stability of the instrument. The Agency does not believe it has sufficient justification to pursue a REC contract amendment at this time, given "abandoned contracts" are still an emerging issue. The Agency received requests to increase the amount of collateral that could be refunded in the event that a system is designated as an "abandoned contract." The Agency understands that Approved Vendors can make allowances for the treatment of collateral within their own contracts with customers, and that some do so. Therefore, the Agency is not willing to increase the relief within its proposal.

Finally, the Agency did not receive feedback requesting to include community solar subscriptions should be included within this proposal. The Agency therefore clarified in the Plan that it does not believe that community solar subscriptions could be deemed "abandoned contracts."

12. Energy Sovereignty in Illinois Solar for All

The Draft 2026 Long-Term Plan did not propose any changes to the existing $10 per REC adder for on-site projects that feature energy sovereignty. However, one commenter urged the IPA to explore if a change to the current $10 per REC adder is necessary. The Residential Solar (Small) sub-program received over 500 project submissions featuring energy sovereignty, representing 64% of the sub-program budget. While further scrutiny to the current energy sovereignty REC adder may be necessary, the IPA does not have substantiated feedback or market insight on what the appropriate REC adder level should be. In this 2026 Long-Term Plan, the Agency proposes to maintain the current $10 per REC for the 2026-27 Program Year. Beyond the 2026-27 Program Year, the IPA will conduct a stakeholder feedback process to re-evaluate the benefit of the additional $10 per REC relative to participation and market conditions for the 2027-28 Program Year.

The Residential Solar (Small) sub-program had historically struggled to achieve participation levels that fully leverage its annual budget, but that changed with the 2024-25 and 2025-26 Program Years achieving unprecedented participation. To maintain the success the sub-program has experienced the past two Program Years, in the Draft 2026 Long-Term Plan, the Agency proposed to implement a Referral Pilot Initiative, but only if the Residential Solar (Small) sub-program reverted back to experiencing low participation. The Referral Pilot Initiative would provide a stipend to income-eligible Residential Solar (Small) sub-program participants who connect eligible households to the Residential Solar (Small) sub-program. The IPA received

feedback from one commenter stating that this Pilot is unnecessary since ILSFA Approved Vendors are already providing stipends to customers that refer households to the Approved Vendor. After careful consideration of this comment, the Agency believes the Referral Pilot Initiative is unnecessary and removed it from the Filed 2026 Long-Term Plan.

13. Adjacent Census Tracts in the Illinois Solar for All Non-Profit and Public Facilities Sub-Program

The 2024 Long-Term Plan excludes Non-Profit and Public Facilities projects located outside environmental justice communities and income-eligible communities from participation in the Illinois Solar for All Program, even if the critical service provider/project host is conducting vital work for environmental justice communities or income-eligible communities. In the Draft 2026 Long-Term Plan, the Agency proposed to expand geographic eligibility in the Non-Profit and Public Facilities sub-program to projects located in census block groups adjacent to environmental justice communities or income-eligible communities. The IPA received feedback from one commenter requesting that a definition of *adjacent* should be outlined in the 2026 Long-Term Plan. The Agency agrees and has provided a definition of *adjacent* in Section 8.5.6.1 of the Filed 2026 Long-Term Plan.

14. Project Selection for Illinois Solar for All Sub-Programs with High Demand

The Agency received feedback from one commenter requesting that small and emerging businesses and Equity Eligible Contractors receive prioritization points during project selection. Additionally, the commenter states that it would support prioritization points based on geographic location, and that projects featuring energy sovereignty should not receive prioritization points.

The IPA did not specifically request stakeholder feedback on project selection, but the Agency has considered this feedback and incorporated changes in the Filed 2026 Long-Term Plan;

namely, the IPA proposes the following updates to project selection. First, the Agency proposes to award points to projects based on geographic location to increase participation throughout the entire state of Illinois. Section 1-56(b)(2) of the IPA Act states that "[t]he Agency shall strive to ensure that renewable energy credits procured through the Illinois Solar for All Program and each of its subprograms are purchased from projects across the breadth of low-income and environmental justice communities in Illinois, including both urban and rural communities[.]"[14] The Agency believes that by awarding points to projects based on geographic diversity it will increase participation in underserved communities. Second, given the recent uptick in Residential Solar (Small) sub-program projects featuring energy sovereignty, 64% of the sub-program budget for the 2024-25 Program Year, the IPA proposes to remove prioritization points for projects featuring energy sovereignty in the Residential Solar (Small) sub-program. Energy sovereignty points will remain for the Residential Solar (Large), Community Solar, and Non-Profit and Public Facilities sub-programs since participation is not at the same level as the Residential Solar (Small) sub-program. Third, the Agency clarifies that it already awards points to projects submitted by small and emerging businesses and it will continue to do so. Fourth, the Agency disagrees with the proposal to award points to Equity Eligible Contractors during project selection for ILSFA, since there is a specific category within Illinois Shines dedicated to Equity Eligible Contractors. These updates can be found in Section 8.10.2. of the 2026 Long-Term Plan.

15. Determining Income Eligibility in the Illinois Solar for All Program

In the Final Order approving the 2024 Long-Term Plan, the Commission directed the IPA to evaluate the practical effect of the expansion of self-attestation to the Residential Solar Pilot and

[14] 20 ILCS 3855/1-56(b)(2).

provide a recommendation on whether to incorporate self-attestation in the next Long-Term Plan.[15] Section 8.10.3.2 of the Draft 2026 Long-Term Plan explained that self-attestation was a much simpler and condensed process, for both the Approved Vendor and participant. As such, the Agency proposed to expand self-attestation to participants in the Residential Solar (Small) sub-program where the participant resides in an income-eligible community. Additionally, given that ILSFA provides greater REC incentives and higher savings for participants than that of comparable programs, the Agency will implement an audit process to ensure ILSFA's income-eligibility standards are upheld.

The IPA received several comments from stakeholders supporting self-attestation and the audit process. The Agency will maintain the option of self-attestation to participants in the Residential Solar (Small) sub-program where the participant resides in an income-eligible community. Additionally, the IPA clarifies that self-attestation will only be available to participants in the Residential Solar (Small) sub-program residing in an income-eligible community (i.e., a census tract where at least 50% of residents earn no more than 80% of AMI). One commenter raised concerns regarding the inclusion of an audit process. After careful review and consideration of the comment, the Agency has determined that it will maintain the audit process in the Filed 2026 Long-Term Plan to balance both broader participation and income-eligibility standards.

16. Consumer Protection

In the Draft 2026 Long-Term Plan, the Agency proposed several creative approaches to address the growing trend of Approved Vendors going out of business and stranding projects. The

[15] See Final Order at 104, ICC Docket No. 23-0714 (Feb. 20, 2024).

Agency considered ideas to address situations where an Approved Vendor goes bankrupt or is otherwise out of business without employees to approve the assignment of s REC Contracts (or project applications) to a new Approved Vendor. After careful consideration of stakeholder feedback, contract law principles, and relevant statutory authority, the Agency has decided to not move forward with these proposals at this time. Sections a) through c) below discuss each of these proposals.

a. Proposal to Allow Unilateral Assignment of Stranded Projects when the Original Approved Vendor Is Unavailable

When an Approved Vendor goes out of business, the best option for all parties is often to assign the REC Contract to a new Approved Vendor. However, there may not be a person left to make decisions or sign legal documents, such as an assignment agreement, on behalf of the Approved Vendor that has gone out of business. The defunct company's solar projects are essentially "stuck," as an assignment requires explicit approval from that company. In the Draft 2026 Long-Term Plan, the Agency considered a proposal under which, if an out-of-business Approved Vendor defaulted on their REC Contract obligations and did not cure the default, the utility could reassign the REC Contract to a new Approved Vendor (in place of termination), without the approval of the original Approved Vendor. A stakeholder raised concerns about this proposal, and after further consideration of contract law principles, the Agency has removed this proposal from the Filed 2026 Plan.

As part of the unilateral assignment proposal, the Agency contemplated an amendment to the REC Contract under which every Approved Vendor would agree that, in the case of their default, their remaining rights and duties under the REC Contract could be assigned to a third party without their further authorization. However, the Agency is concerned that basic tenets of contract

law may not allow a party to assign or delegate future rights and duties to an as-yet unidentified third party. Under the Restatement, "a contract to make a future assignment of a right, or to transfer proceeds to be received in the future by the promisor, is not an assignment," but rather a contract that is governed by "the rules relating to specific performance of contracts."[16] In the Agency's proposal, the original Approved Vendor would be entering a separate contract to "assign" the REC Contract to an unknown party at some point in the future, and the identity of the "assignee" would not be determined until after the default and failure to cure by the original Approved Vendor. A contract with an unknown party may not be valid because there "must be at least two parties to a contract."[17] Furthermore, the future "assignee's" (the new Approved Vendor's) right may be limited to equitable performance of the contract to assign, which may not be enforceable if the Approved Vendor no longer exists to make a present assignment.[18] Overall, it appears that the proposal for unilateral assignment in place of termination may be inconsistent with contract law principles.

b. Proposal to Allow Unilateral Transfer of Pending Project Application when Original Approved Vendor Is Unavailable

In the Draft 2026 Plan, the Agency proposed creating a new process to transfer Program applications for projects that are in process but not yet under a REC Contract, where the original Approved Vendor has gone out of business and/or is nonresponsive, allowing new Approved Vendors to take over projects without submitting a new application. Commenters did not express

[16] Rest. 2d of Contracts § 330(a)-(b) (1981).

[17] Id. § 9.

[18] Id. § 330 cmt. c ("In some circumstances a contract to assign . . . may create a right in the promisee very similar to that of an assignee. Even though there is no present assignment, the promisee may have a right to specific performance of the promise.").

a clear desire for the Agency to implement such a process, however, and the reduction in the administrative burden resulting from a new process would likely be minimal. For example, the new Approved Vendor would still have to carefully review all of the application materials already submitted to ensure accuracy; starting a new application may better ensure that the documentation is correct. The current submission method properly balances administrative efficiencies while minimizing the risk that a new Approved Vendor overlooks project information that has changed since the original application. For these reasons, the Agency decided to maintain the current process and removed the proposal from the Filed 2026 Plan.

c. Proposal to Allow Reapplication of Projects from a Terminated REC Contract

In some situations where an Approved Vendor goes out of business, the REC Contract may be terminated, such as through a bankruptcy proceeding. In the Draft 2026 Plan, the Agency considered three ideas to address this situation: (1) estimating the RECs generated by solar projects that were incentivized through Illinois Shines or ILSFA, even if the utility no longer receives and retires the REC stream; (2) allowing reapplication of projects that had been on a REC Contract that was terminated, with a new REC Contract picking up where the terminated contract left off (structured to approximate an assignment); and (3) establishing an Approved Vendor of last resort that might step in to continue the delivery of RECs. After considering conflicting stakeholder feedback, the Agency decided to not move forward with a proposal in the 2026 Plan.

On the first idea of estimating RECs, the Agency received stakeholder feedback on the importance of the utility actually receiving RECs from solar projects developed through the Agency's programs. The Agency understands this position and the concern that a different approach could result in double-counting.

On the second idea, the Agency is concerned that the IPA Act may not permit projects to be reapplied to the Program and pick up where the last REC Contract left off. For example, for Small and Large Distributed Generation REC Contracts, Sections 175(c)(L)(ii)-(iii) of the IPA Act provide that "the contract length shall be 15 years." The payments under the contract are based on the delivery of 15 years of RECs, with the first (and sometimes only) payment made "at the time" that the solar project "is interconnected . . . and verified as energized and compliant."[19] If projects could be reapplied to the Program with the new REC Contract picking up where the last REC Contract left off, the new REC Contract would necessarily be shorter than 15 years, the payment would not be based on 15 years of RECs, and the payments would not be made at the point of energization. This would arguably be inconsistent with the language of the IPA Act.

On the third idea of having an Approved Vendor of last resort, the Agency did not receive comments on this concept or how it might work in practice. The creation of an Approved Vendor of last resort that could step in and take over REC Contracts would be complex and may run into some of the same issues with contract law as discussed above. The Agency is therefore not proposing to move forward with this idea at this time.

The Agency will continue to monitor the frequency and extent to which Approved Vendors and Designees become completely unavailable or otherwise terminate REC Contracts, and will continue to consider possible approaches to address consumer protection and other programmatic issues that arise. If merited by ongoing developments, the Agency may hold one or more workshops to consider stakeholder feedback on potential solutions.

[19] 20 ILCS 3855/1-75(c)(L)(ii)-(iii).

17. Combined MES Compliance and Year-End Reporting

Section 1-75(c-10)(1) of the IPA Act requires that each entity participating in Illinois Shines and competitive procurements submit three types of reports: (1) a compliance plan demonstrating how it will achieve compliance with the MES at the start of each delivery year, (2) a confirmation that the entity will achieve MES compliance halfway through each delivery year, and (3) a report demonstrating how it achieved MES compliance at the end of each delivery year. Section 1-75(c-10)(1)(E) also directs the Agency to pursue efficiencies achieved by combining reporting.

In comments on the Draft 2026 Plan, the IPA received a recommendation to combine the MES Compliance Plan and Year-End Report. The commenter explained that a combined report would result in the same quality of information, but with a more streamlined process and less administrative burden for participants, as well as the IPA and its Program Administrator. Although only one commenter made this recommendation, the Agency has received anecdotal feedback for some time regarding the burden of the process. The Agency has also observed that the close submission timelines of the two reports often confuses vendors, resulting in inaccurate submissions and additional administrative burden for the Agency and the Program Administrator.

After considering this feedback, as well as the statutory directive to pursue efficiencies with reporting, the Agency proposes in the Filed 2026 Plan to combine the Compliance Plan and Year-End Report into a single report. The combined MES report will include both a forward-looking component (to meet the statutory requirement that entities demonstrate how they will achieve MES compliance in the new Program Year/delivery year) and a backward-looking component (to meet the statutory requirement that entities demonstrate how they achieved MES compliance in the previous Program Year/delivery year). The IPA also intends to reduce any

duplication of data that was present in the two reports. Additional information about the proposed combined MES report can be found in Section 10.1.5.1.

COMMENTS/PROPOSALS NOT ACCEPTED/ITEMS UNCHANGED FROM DRAFT 2026 LONG-TERM PLAN

1. Brownfields

The IPA is required to procure at least 3% of its total RECs from brownfield site photovoltaic projects and is required to consider approaches other than competitive procurements for procurement of RECs from brownfield sites. The Agency has seen limited success in brownfield procurement events, which have therefore been unable to meet the IPA Act's targets for RECs procured from brownfield sites. The Agency therefore sought insight on market factors or other barriers to brownfield site development in Section 5.5.2 of the Draft Long-Term Plan. The Agency further requested feedback that could ensure brownfield site photovoltaic project participation in the Agency's procurements, including whether brownfield projects should be excluded from the Indexed REC procurement processes and whether RECs from brownfield sited photovoltaic projects should be procured through other means.

The IPA appreciates all the commenters who offered suggestions to improve participation in brownfield sited photovoltaic procurements. The suggestions were diverse and far-reaching. For example, one commenter recommended using price adders or multipliers, another commenter suggested maintaining a list of brownfield sites for use by developers, and another suggested raising the target of RECs to be procured from brownfields, allowing brownfield projects larger than 5 MW to be eligible to receive the bid preference for projects located in areas eligible to receive Energy Transition Community Grants and expressed interest in a standing order offered at an administratively established price.

The Agency received feedback from one commenter who stated that the requirement for a brownfield sited photovoltaic project to be fully sited on contaminated land was the most significant obstacle for developers. The General Assembly made clear, in its declarations and finding, that its goals for the development of brownfield sited photovoltaic projects was not solely the production of renewable energy credits, but also the restoration of blighted land. Section 1-5 of the IPA Act states the brownfield sited photovoltaic projects will "help return blighted or contaminated land to productive use while enhancing the public health and well-being of Illinois residents, including those in environmental justice communities."[20]

In an effort to provide more flexibility to brownfield site developers, the Agency now allows for the co-location of projects located both on a brownfield site and on an adjacent or surrounding greenfield site. The commenter notes that this co-location option does not meaningfully lower the costs to develop brownfields and that the result is that fewer brownfield site photovoltaic projects are built as a result and suggests brownfield sited photovoltaic projects be at least 50% sited on contaminated land. While this proposal ensures the projects retain some connection to contaminated land, it also introduces a number of complexities for the procurement process, namely assigning a benchmark price and comparing bids from projects with potentially significantly different costs and project attributes. The Agency would have to determine whether to create a weighting or similar methodology to appropriately compare projects with varying siting overlap, which would require extensive analysis and broader stakeholder consideration.

The IPA genuinely appreciates all the feedback received on the challenges facing brownfield sited photovoltaic project developers. Despite the breadth and diversity of the feedback received, the Agency is still without a clear proposal to either increase developer participation in

[20] 20 ILCS 3855/1-5(8).

competitive procurement events or to procure RECs from brownfield sites outside of competitive procurement events. Therefore, the Agency has determined it will hold workshops to explore ways it can encourage more brownfield sited photovoltaic development. These workshops will take place in 2026 and will attempt to include participation from all interested stakeholders.

2. Bankruptcy

In the process of drafting the 2026 Long-Term Plan, the Agency received stakeholder feedback raising concerns about the effect of bankruptcy on a REC contract. The Agency requested further feedback in the Draft 2026 Long-Term Plan, particularly seeking to understand whether it should require the utility Buyer to seek bankruptcy court approval before seeking to terminate a REC contract, or require a utility Buyer to provide 60-day advance notice to the Seller and collateral assignee before any such motion is filed.

Following the publication of the Draft 2026 Long-Term Plan, the Agency did not receive further information to support greater bankruptcy protections for Sellers, nor did the commentor fully explain why the existing notice and Seller protection provisions contained within the REC contract were insufficient. The Agency received feedback opposing these proposed changes and suggesting that they are beyond the Agency's authority. Given the existing notice and Seller protection provisions contained within the REC contract, the Agency will not implement further changes to the REC contract related to the possibility of a bankruptcy by the Seller.

3. Co-location of Projects

In preparing the Draft 2026 Long-Term Plan, the Agency sought feedback regarding how to ensure its co-location requirements allow for appropriate REC prices to be assigned, minimize issues of interconnection queue clogging, and ensure compliance with labor requirements. The Agency received feedback from a few commentors on this topic and received the suggestion to

align co-location requirements with language negotiated by various stakeholders as part of the proposed energy omnibus bill that did not ultimately pass during the Spring 2025 legislative session. The Agency determined this would appropriately strengthen its co-location requirements and be responsive to various stakeholder perspectives on this issue and adopted this approach in the Draft 2026 Plan. This approach was not modified in response to comments on the Draft Plan.

The Agency is aware that the division of a single large project into multiple smaller projects may create negative effects on interconnection study processes. The Agency is committed to monitoring this issue and continuing engagement with stakeholders to limit these negative effects and welcomes additional feedback about these concerns.

4. Tracking Cancelled Project Capacity

In the Draft 2026 Long-Term Plan, the Agency proposed to start tracking the capacity associated with projects that were under contract and allocated a previous Program Year's capacity, but were subsequently withdrawn or removed. The Agency further proposed to redistribute the capacity through the reallocation process following the close of the 2026-27 Program Year. The Agency received substantial support for the proposal to track this capacity, however, it also received some feedback suggesting that the cancelled capacity be redistributed to the category for which it was initially contracted. The Agency has chosen to maintain the proposal as originally put forth in the Draft 2026 Long-Term Plan, given that most commentors who provided feedback on this issue supported it without changes, and given that allocating that capacity back to its original category would be administratively burdensome.

5. Increased Availability of Collateral Refunds for Small and Emerging Businesses in the Event of High Interconnection Costs

In the Draft 2026 Long-Term Plan, the Agency proposed to provide refunds of collateral in the event of high interconnection costs for small and emerging business Approved Vendors as a way of providing greater support for those Approved Vendors. The Agency sought feedback on this topic in preparation for the Draft 2026 Long-Term Plan, and then again in the published version of the Draft 2026 Long-Term Plan. The Agency also expressed concern in the Draft 2026 Long-Term Plan about whether allowing for refunded collateral could pose the risk of de-incentivizing these small and emerging business Approved Vendors from thoroughly assessing interconnection queues, exacerbating interconnection queue clogging, and improperly balancing the risks associated with project development. The Agency did not receive feedback on this topic, and given the existing allowance in the REC contract for refunds of collateral in the event of high interconnection costs and the potential risks the Agency sees with this proposal, the Agency determined it did not have sufficient justification to move forward with this proposal.

6. Small and Emerging Businesses

Section 1-56(b)(2) of the IPA Act requires the Agency to "make every effort to ensure that small and emerging businesses, particularly those located in low-income and environmental justice communities are able to participate in the Illinois Solar for All Program."[3] The IPA Act does not define small and emerging business, so the Agency proposed to define a "small business" as any for-profit entity, independently owned and operated, that has gross profits of less than $4 million per year; and an "emerging business" as a business that has been authorized to do business in any U.S. state for fewer than three years. An entity that meets the definition of "small business," or "emerging business," or both definitions will qualify as a "small and emerging" business for

purposes of administration of ILSFA and Illinois Shines. The IPA requested stakeholder feedback in the Draft 2026 Long-Term Plan on the proper thresholds for the definition of "small and emerging" business ("SEB"), with particular concern on the definition of a "small business."

The Agency received comments suggesting several alternative definitions to "small and emerging" businesses. One commenter suggested that the Agency should not include the proposed definition of "emerging business" and only rely on the proposed definition of "small business." In other words, an SEB would be any for-profit entity, independently owned and operated, with an annual revenue less than $4 million per year. The Agency understands that three years may not be sufficient time for an entity to become an expert in the IPA's Programs, but each entity's circumstances are unique and while one entity may require longer than three years to become proficient in Illinois Shines and ILSFA, another may requires less. To the extent practicable, the Agency will begin to track the number of Approved Vendors who satisfy the definition of a small and emerging business. Additionally, by maintaining both proposed definitions in the Filed 2026 Long-Term Plan, the IPA ensures both small and emerging businesses have the opportunity to participate in Illinois Solar for All and Illinois Shines.

Another commenter proposed the following two alternative definitions to "small and emerging" businesses: (1) as an entity with an annual revenue less than $4 million with the following maximum number of projects for the Residential Solar (Small), Community Solar, and Non-Profit and Public Facilities sub-programs, respectively 75, 2, and 15; or (2) define an "emerging business" as an entity licensed to do business in Illinois for fewer than eight years. The Agency's proposed definition in the Draft 2026 Long-Term Plan is meant to be utilized in both the Illinois Shines and Illinois Solar for All Program, thus qualifying an entity based on the projects of one Program would be misguided. If the IPA increased the number of years an entity is

considered "emerging," the definition may become too broad. Instead, the Agency will begin to track the number of Approved Vendors who satisfy the definition of a "small and emerging" business to better understand whether the proposed definition of "small and emerging" businesses fulfills the intended goal of ensuring "small and emerging" businesses are able to participate, while not being too broad and encompassing too many entities.

7. Illinois Solar for All Residential Solar Sub-Programs Budget Allocation

Section 1-56(b)(2) of the IPA Act provides a single budget allocation for ILSFA residential projects, inclusive of both Residential Solar sub-programs. The Agency proposed to allocate that funding evenly between the two sub-programs until January 1. Any remaining funds at the end of the January 1 deadline in the sub-programs will be released for projects of any size from either sub-program. The Agency received one comment regarding the release of funds on January 1. The commenter requested that the sub-programs share one budget for the entire Program Year. The IPA understands there has been more participation in the Residential Solar (Small) sub-program and if both sub-programs share a budget for the entirety of the Program Year, it would potentially lead to more Residential Solar (Small) sub-program projects being built earlier in the Program Year. However, Section 1-56(b)(2)(E) of the IPA Act explicitly creates the Residential Solar (Large) sub-program and mandates that the Agency provide incentives to low-income customers at residential buildings with five or more units, either directly or through solar providers. If the sub-programs share one budget throughout the entire Program Year, Residential Solar (Small) sub-program projects could potentially utilize all funds reserved for both sub-programs without providing a funding opportunity for Residential Solar (Large) projects. To ensure both sub-programs have an opportunity to utilize the budget, the Agency will maintain the January 1 deadline in the Filed 2026 Long-Term Plan.

8. Environmental Justice Community

As discussed in Section 8.12 of the Draft 2026 Long-Term Plan, the Agency proposes to update the data for Environmental Justice Communities with the most recent version of EJScreen with adjustments to implement earlier EJScreen data for four proximity indicators. Additionally, the Agency proposes to update the methodology for Environmental Justice Communities by including communities with scores in the top 25% across the service areas of each Regional Transmission Organization operating in the State of Illinois. Multiple commenters sought changes to the Environmental Justice Community methodology explained in Section 8.12 of the Draft 2026 Long-Term Plan. Commenters broadly sought to increase the number of communities designated as Environmental Justice Communities. While increasing the number of communities designated as Environmental Justice Communities may lead to an increase in participation, the Agency must be wary of diluting funds from the most disadvantaged communities. Furthermore, other agencies and programs outside of Illinois Solar for All rely on the definition established by the IPA, so any major updates should consider such agencies and programs as well. To strike the appropriate balance, the Agency will maintain this proposal in the Filed 2026 Long-Term and proposes to address some of the comments received through a webinar before the start of the 2026-27 Program Year, which will walk interested stakeholders through proposed updates to the Environmental Justice methodology and resulting changes to the Environmental Justice Communities Map.

9. Community-Based Organizations in Illinois Solar for All

Since the IPA Act does not define "community-based organizations," the Agency has defined it as an organization that meets the definition established by the National Community-Based Organization Network: the majority of the governing body and staff consists of local residents; the main operating offices are in the community; priority issues are identified and

defined by residents; solutions to address priority issues are developed with residents; and program design, implementation, and evaluation components have residents intimately involved, in leadership positions.[21] In addition, the IPA has determined that a public entity may qualify as a community-based organization if meets the following requirements: the public entity must represent a municipality or county (or school district, park district, etc.) in the bottom 25% of the state by population, the public entity must certify that no local community-based organization exists that are capable of filling this role, the public entity must provide the same showing of robust community engagement as non-public would be required to show, and public entities that have failed to act as community-based partners in a past project certification would be ineligible.

The Agency did not request feedback on the definition of a community-based organization, but one commenter requested that the definition of a community-based organization found in Public Act 102-0662 be adopted. Public Act 102-0662 is comprehensive legislation that reshaped energy law in Illinois and modified multiple sections of Illinois statute. While Public Act 102-0662 amended certain sections of the IPA Act, the definition the commenter references is in the amendments to the Energy Transition Act,[22] which does not apply to the IPA. Public Act 102-0662 did not include a definition of a community-based organization that would be binding on the IPA. The current definition of community-based organization was established after a stakeholder feedback process on the First Revised Plan. The IPA will maintain the same definition for a community-based organization in the Filed 2026 Long-Term Plan since it provides an opportunity

[21] National Community–Based Organization Network (NCBON), "What is a Community–Based Organization (CBO)?" https://sph.umich.edu/ncbon/about/whatis.html.

[22] 20 ILCS 730/5-5.

for public entities to participate while also providing the flexibility for communities to define their specific needs.

10. REC Prices in Illinois Solar for All

The prices established for the Illinois Solar for All program are set through the REC Pricing Model described in Chapter 3 and Chapter 7 of the Long-Term Plan with adjustments to reflect the state of the solar market, Illinois Solar for All-specific historic project participation, and additional nuances and objectives underpinning the Illinois Solar for All Program. Additionally, the REC Pricing Model corrects an error in the application of the net metering tariff for Group B across all categories and adjust the 2,000-5,000 kW subcategory to factor in costs of projects across the size distribution instead of weighting the results to the 5,000 kW sized projects. The Agency received one comment regarding ILSFA's REC incentives expressing that the IPA should adopt a market-based approach to address several concerns the commenter raised. These concerns include increasing geographic diversity of projects, ensuring small and emerging businesses have the opportunity to participate, and ensuring ILSFA's job training requirements are being met. As explained in Section 8.5.2 of the Filed 2026 Long-Term Plan, the Agency already adopts a market-based approach when establishing REC incentives. Additionally, the IPA has several proposals throughout the Filed 2026 Long-Term Plan to address some of the concerns raised by the commenter. For example, small and emerging business Approved Vendors will be able to deduct the 5% collateral requirement from the REC payment to ensure Approved Vendors designated as a small and emerging business can participate in ILSFA. The Agency is also attempting to encourage geographic diversity through a proposal to award prioritization points during project selection to projects based on the project's geographic location. The Agency believes the proposed

ILSFA REC incentives and REC Pricing Model in conjunction with several of the proposals outlined in Chapter 8 should adequately address most of the concerns raised.

11. Management and Control Requirement for Equity Eligible Contractor Approved Vendors

For years, the IPA has heard from concerned commenters and Illinois Shines participants about entities using "sleeving" or "pass through" business structures to gain access to the EEC category. Under this type of structure, a non-EEC company that is already well-established in the solar market forms a new company with an EEP as the majority owner, but that EEP has minimal involvement in the management and control of the now EEC-certified business. The Agency has become increasingly concerned with this trend and the potential for these "sleeving" or "pass through" entities to crowd out the EEC category, contrary to the legislature's intent of prioritizing "access to the clean energy economy for businesses . . . that have been excluded from economic opportunities in the energy sector."[23] The Agency initially proposed to address this issue in the Draft 2024 Plan by implementing a control and active management requirement for EECs. After litigating the issue through briefing, the Commission declined to adopt the IPA's proposal in that docket, stating that "more discussion amongst stakeholders is necessary before making significant changes to EEP access, to ensure the Agency's Plan strikes a fair balance between EEP requirements and reducing manipulation of the system."[24] The Commission further directed the IPA to "include in the . . . stakeholder process . . . identification of the best and most appropriate,

[23] 20 ILCS 3855/1-75(c-10).

[24] Final Order at 147, ICC Docket No. 23-0714 (Feb. 20, 2024).

balanced methods to prevent manipulation without overly burdening EEPs and submit alternatives for the Commission to consider in the next Plan."[25]

Leading up to the filing of the Draft 2026 Plan, the Agency followed the Commission's instruction and diligently sought out stakeholder feedback on a management and control requirement for EECs. As explained in Section 10.1.2.2, the Agency invited three rounds of feedback and received a significant amount of support and suggestions for implementation. After evaluating that feedback, the IPA now proposes a revised and more detailed control and management requirement for EECs. While it is similar to the previous proposal in the Draft 2024 Plan, the new proposal in the Draft 2026 Plan has two significant differences. First, the new proposal only applies to EEC Approved Vendors, rather than all EECs. The Agency believes that this is a more balanced and targeted approach to the problem of entities taking advantage of the EEC category, since only EEC Approved Vendors can submit projects to the EEC category. Second, the proposal in the 2026 Plan contains more detail and guidance, including two pathways to demonstrate management and control, the expected duties and responsibilities of EEP majority-owners, and the types of documents that may be required. These details were based on suggestions made by EECs, in addition to other stakeholders, and, as a result, the IPA believes that the new proposal is appropriately balanced to prevent manipulation without overly burdening EEPs.

Despite the more informed and detailed nature of the Agency's revised proposal, one commenter has continued to express opposition and indicated that the IPA should not include this proposal in its 2026 Plan. The commenter cited three reasons for its opposition, but the Agency does not find these reasons compelling for the reasons discussed below. First, the commenter stated

[25] Id.

that the IPA's revised proposal conflicts with the Commission's Order. The commenter asserts that, while the Commission directed the Agency to submit "alternatives," the Agency's proposal is not an alternative because it is identical to the proposal made in the Draft 2024 Plan. As an initial matter, the Commission did not prohibit the Agency from considering revisions to the proposal made in the 2024 Plan. Further, as discussed above, there are two important distinctions between the proposal in the 2026 Plan and the former proposal; the new proposal is more targeted to address the exact issue of concern and contains significantly more detailed criteria for demonstrating management and control, drawn directly from stakeholder feedback. Therefore, the Agency believes its current proposal is a more balanced and clearly defined alternative that directly addresses the Commission's directive.

Second, the commenter asserts that the IPA's proposal goes beyond the statutory requirements for being an EEC and exceeds the Agency's authority. To the contrary, in Section 1-75(c-10)(7) of the IPA Act, the Illinois legislature granted the Agency the power to modify the EAS if the Agency finds that the EAS has failed to meet its goals. As stated at the outset, the Agency has observed that the EEC category of Illinois Shines (which is a part of the EAS) has been subject to manipulation by entities that have not been excluded from economic opportunities in the energy sector and, therefore, are not the sorts of entities that the legislature sought to benefit. As such, the Agency's proposal is an appropriate exercise of its statutory authority to ensure that the EAS can better meet the legislature's goals.

Third, the commenter contends that the IPA's proposal would be burdensome and put constraints on the ability of EEC-owners to form partnerships and collaborations. While the Agency recognizes these concerns and is continually assessing its processes to reduce administrative burdens, the Agency notes that it has received significantly more positive feedback

about the control and management requirement than negative. In particular, EEP majority-owners of EECs expressed their willingness to provide additional documentation proving that they manage and control their business in order to prevent manipulation of the EEC category. Because the vast majority of commenters that responded to the proposal appear to be in favor of it in order to protect the EEC category, the Agency declines to remove this proposal from the 2026 Plan.

In addition to expressing its opposition, the commenter also provided two alternatives. The commenter's first alternative is to only require an attestation of the EEP owner's "active involvement" in the business. The Agency declines to adopt this alternative because attesting to "active involvement" in the business is unlikely to solve the problem of entities manipulating the EEC category. The problem is not that certain EEP owners do not have some level of involvement; it is that they are not acting as genuine owners of the EEC business, thereby limiting the economic objective behind the EEC category. As explained above, many EEC commenters have indicated a willingness to provide more documentation in order to preserve the integrity of the EEC category.

The commenter's second alternative is to require EEPs who qualify based on residence in an Equity Investment Eligible Community ("EIEC") to provide proof of living in an EIEC for at least five years. The Agency declines to adopt this alternative, as well. As an initial matter, it would not adequately address the issue of manipulating the EEC category because long-term residency in an EIEC would not prohibit an individual from participating in a business with a "sleeving" structure. Additionally, individuals may experience residential mobility for a number of reasons, and residents of under-resourced or economically constrained communities—who are some of the intended beneficiaries of the EEC category—often face higher rates of mobility or relocation due to a variety of systemic and structural barriers. Requiring residence in an EIEC for five years would likely disqualify these individuals.

12. Return of Collateral for EECs Seeking an Advance of Capital

In the Draft 2026 Plan, the Agency proposes to allow Approved Vendors that are small and emerging businesses to request a refund of collateral for projects in the event that the Approved Vendor learns that interconnection costs will be too high to proceed with the project. As explained in Section 7.12.2.1, the Agency proposes to define a "small" business as any for-profit entity, independently owned and operated, that grosses less than $4 million per year. The Agency proposes to continue utilizing the same definition of "emerging" business that was present in the 2024 Plan: a business that has been authorized to do business in any U.S. state for less than three years. The Agency would consider any entity that meets either or both of those criteria to qualify as a "small and emerging business."

In September 2025, the Agency received one comment suggesting that the Agency provide the same opportunity to request a refund of collateral for EECs seeking an advance of capital. While the IPA understands the desire to support EECs in this manner, the Agency declines to extend the proposal to all EECs in the draft 2026 Plan. As an initial matter, under the existing proposal, EECs could qualify for the return of collateral, as well, if they are also a "small and emerging business." Moreover, the Agency created its proposal to be specific to small and emerging businesses because it determined that the issue was most acute for those businesses. For these reasons, the Agency will not extend the return of collateral proposal to all EECs at this time.

13. Integrating the Energy Workforce Equity Portal and Year-End Reporting

While developing the Draft 2026 Plan, the Agency requested feedback on the idea of requiring that all EEPs be certified through the Energy Workforce Equity Portal, as opposed to also allowing certification through the Year-End Report process. The Agency hoped to have support to implement this requirement in order to streamline the certification process, reduce

duplicative documentation, and support more robust and consistent data collection. However, multiple stakeholders raised concerns about this proposal, stating that it could present barriers for EEPs including digital literacy, limited internet access, and language accessibility. Some stakeholders also noted that EEPs do not feel safe sharing personal information with government entities, and others stated that this approach would increase the administrative burden on Approved Vendors and Designees. In light of these serious concerns from the communities that the EAS is intended to benefit, the IPA decided not to require EEP certification solely through the Energy Workforce Equity Portal in the 2026 Plan.

In September 2025, the Agency received a comment stating that the current dual reporting system for EEPs, through the Energy Workforce Equity Portal and the Year-End Report, was painting an incomplete picture of the union workforce and recommended that they be combined into a single reporting system. As explained above, the Agency had considered requiring all EEPs to certify through the Energy Workforce Equity Portal as this would, among other things, result in more robust and consistent data collection. While the Agency continues to believe that a centralized certification process is critical to improving the quality and completeness of EEP data collection, it also acknowledges that there are legitimate concerns about this approach. The Agency may revisit this in the future but, in the meantime, will continue to explore ways to strengthen data collection practices using existing tools and processes.

14. Additional Requirement for EECs

In September 2025, the Agency received a stakeholder comment suggesting that the IPA require EECs to be established for 18 months before being allowed to submit projects in Illinois Shines. The commenter indicated that this would prevent newer entities from diluting equity participation. The Agency has declined to adopt this suggestion in the 2026 Plan. The EEC

category is intended to benefit EEC Approved Vendors that may not otherwise be able to break into the market without it due to systemic barriers, so requiring them to wait 18 months before submitting projects would potentially hinder the goals of the EEC category. Although the IPA declines to adopt this suggestion, it remains committed to further monitoring the EEC category and considering additional measures to ensure its integrity.

15. Mentor Compensation

In the 2026 Long-Term Plan, the Agency has included a mentor compensation proposal, seeking authorization from the Commission to utilize up to $20,000 per Program Year from the RPS budget to provide monetary compensation to mentors participating in the Illinois Shines Mentorship Program. This proposal reflects the Agency's commitment to equitable practices that recognize and compensate individuals for their professional time and expertise. In the most recent round of stakeholder feedback, received in September 2025, one commenter expressed interest in non-monetary compensation for mentors. Although the feedback did not specifically refer to monetary compensation, the Agency sees the comment as general support for compensating mentors for their significant contribution to the Mentorship Program. Additionally, feedback from the DEI Advisory Committee has underscored that mentors should be compensated for their contributions.

With the Commission's approval, the Agency would have the funds to adequately recognize and compensate entities that provide mentoring services in the Illinois Shines Mentorship Program. Authorizing this compensation will strengthen the recruitment and retention of qualified mentors, support the long-term sustainability of the Mentorship Program, and ultimately advance the goal of supporting EEC businesses within Illinois' clean energy economy.

16. Solar Restitution Program Caps

In the Draft Plan, the Agency proposed increasing the vendor caps in the Solar Restitution Program. Currently, the per-vendor restitution cap prevents the Agency from awarding more than $200,000 for all customer claims based on the actions of any one Approved Vendor. In addition, the project cap prevents the Agency from awarding more than $30,000 for claims related to any one project. The Draft Plan proposed maintaining the $30,000 project cap for small Distributed Generation ("DG") customers, but increasing it to $50,000 for large DG customers. In addition, it proposed increasing the per-vendor cap and potentially implementing minimum percent payouts for customer claims.

The Agency received stakeholder feedback that expressed support for raising the per-vendor and large DG per-project caps. Based on this feedback as well as the Agency's interest in providing more complete compensation to customers, the Agency decided to increase the large DG per-project cap to $50,000 and to increase the per-vendor caps using a soft cap/hard cap approach. The Agency will pay out all claims against a particular vendor until a $2,000,000 "soft" cap is reached. Once claims based on the conduct of that vendor have surpassed $2,000,000, claims based on a vendor's failure to pass through promised REC incentive payments will continue to be paid at 100% while all other claims will be paid out at 50%. Once claims based on the conduct of the vendor have surpassed the $3,000,000 "hard" cap, the Agency will no longer pay out any claims for that vendor's actions.

Stakeholders provided several suggestions for how the Agency should prioritize paying out certain types of claims (in the context of minimum payout percentages), and at least one stakeholder did not support the idea of prioritizing the payout of claims related to failure to pass through REC incentives. However, the Agency determined that it was important to prioritize

paying out claims related to a vendor's failure to pass through REC payments because the REC payment is intrinsically tied to a customer's participation in the Programs. In addition, the Agency anticipates that the significant increases in the soft and hard per-vendor caps will increase the likelihood that all types of restitution claims are able to receive full compensation.

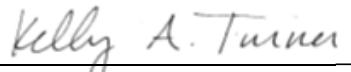
CONCLUSION

The Illinois Power Agency's 2026 Long-Term Renewable Resources Procurement Plan is consistent with the requirements of Sections 1-56(b) and 1-75 of the Illinois Power Agency Act, Section 16-111.5(b)(5) of the Public Utilities Act, and any other relevant portions of the Public Utilities Act and the IPA Act. As the 2026 Long-Term Plan "will reasonably and prudently accomplish the requirements of Section 1-56 and subsection (c) of Section 1-75 of the Illinois Power Agency Act," it should be approved by the Commission. The IPA reserves the right to file responsive comments and any corresponding edits to the Plan, and respectfully requests approval of its 2026 Long-Term Renewable Resources Procurement Plan.

Dated: October 20, 2025

Respectfully submitted,

Illinois Power Agency



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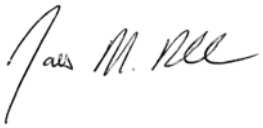
STATE OF ILLINOIS)
)
COUNTY OF COOK)

VERIFICATION

Pursuant to 83 Ill. Admin. Code 200.130 and 735 ILCS 5/1-109, under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this Verified Petition to are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he verily believes the same to be true.



James Rouland

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Illinois Power Agency	)	
	)	
Petition for Approval of the IPA's 2026	)	ICC Docket No. 25-_____
Long-Term Renewable Resources Procurement	)	
Plan Pursuant to Section 16-111.5(b)(5)(ii)	)	
of the Public Utilities Act.	)	

NOTICE OF FILING

Please take notice that on October 20, 2025, the undersigned, an attorney, caused the Illinois Power Agency's Verified Petition for Approval of the IPA's 2026 Long-Term Renewable Resources Procurement Plan Pursuant to 220 ILCS 5/16-111.5(b)(5)(ii), the 2026 Long-Term Renewable Resources Procurement Plan itself, and the appendices thereto to be filed via e-Docket with the Chief Clerk of the Illinois Commerce Commission in a new proceeding.

October 20, 2025

/s/ Kelly A. Turner_____