2026 Long-Term Renewable Resources Procurement Plan Stakeholder Feedback Request Chapter 7 – Illinois Shines

TOPIC 4: ICC Memo Withhold and Editing Issues & Related Possible Solutions

Background

Prior to the Agency's 2022 Long-Term Plan, the Illinois Shines program required all applicant community solar projects to provide an executed interconnection agreement as a sign of project maturity. Since the removal of this requirement in 2022, the Program Administrator has witnessed a consistent issue with community solar projects that are Part I approved and a lack of readiness to be submitted to the ICC for a REC Contract. Along with this lack of readiness, the Program Administrator has seen persistent issues with community solar project developers unable to get clarity on interconnection queue study costs, which has led to last minute requests for community solar projects to be withheld from being submitted to the ICC for REC Contract approval. These actions disrupt the flow of the application process, as well as cause a lack of notice to the ICC when the agenda submission for the standing meetings where Illinois Shines projects are approved for REC Contracts must be amended at the eleventh-hour.

The Agency maintains that an executed interconnection agreement is a valuable project maturity requirement, as previously stated in the Final Order to the 2024 Long-Term Plan:

> "It has become clear to the Agency that interconnection cost has a significant impact upon whether any large photovoltaic facility is ultimately developed. The Agency sees community solar projects repeatedly held back in the Illinois Shines application process by AVs that are awaiting interconnection cost estimates. Additionally, the Agency has started to see project attrition for photovoltaic projects due to interconnection costs so high that the development of the system is not financially viable. Where the Agency previously felt that it may be possible to remove consideration of the community solar interconnection issue completely from project selection, it has proven to be a somewhat reliable indicator of project viability."

The Agency seeks a solution to ensuring that community solar projects submitted to the Illinois Shines program are shovel-ready and can move through the Program's application process without any barriers.

Questions

1. What would be the effect and/or benefits of once again requiring an executed interconnection agreement in the Part I application for community solar projects? Please provide details to support your response.

2. What other requirements should the IPA consider in order to ensure that community solar projects are sufficiently mature when submitted to the Program such that the projects are ready to be submitted to the ICC upon Part I application verification?

Response Comments:

Q1. Ameren's experience is this approach puts the cart before the horse and will cause even more speculative applications that will clog the interconnection queues. The Company has observed that the receipt of a REC award is profoundly more critical to determining a project's viability than the execution of a signed interconnection agreement. Once a REC award is in hand, developers are able to secure the other sources of financing necessary for construction. Only after all sources of financing are secured will the project proceed to construction.

Additionally, the Company is modifying its interconnection study review processes for Level 2 and Level 4 agreements (which encompass community solar projects) that will greatly reduce the amount of time between completed application and the issuance of interconnection costs to applicants. Once these process changes are completed, the pace of completing interconnections studies and the submission of interconnection agreements to applicants will be dependent on timeframes in interconnection rules, although disputes raised by developers may pause study timeframes for all projects in a queue.

The Company further observes that in each round of REC procurements, far more applications are received than can possibly be supported by the authorized amounts of RECs available. Additionally, the Agency prefers to fund community solar facilities that are geographically close to the subscribers of the respective facilities.

Given all of the above, the Company suggests a lottery approach to distributing RECs that ensures that only one project is allotted to any one company or its affiliates. Screening for the applications should require a commitment for some minimum level of subscribers to be located geographically proximate to the facility for the life of the REC funding. The Agency could then require a signed IA along with proof of full funding within a certain timeframe from the announcement of lottery results or the REC award would then be allocated either in a second lottery held prior to the project commitment date or in another method determined by the Agency.

TOPIC 6: Barriers to the Public Schools Category

Background

The Public Schools category was originally introduced to the Program through the passage of CEJA in 2021. The Public Schools category includes Small and Large Distributed Generation projects as well as community solar projects. Public Schools projects feature 20-year REC delivery contracts that pay for RECs over time as they are delivered, rather than the front-loaded payment schedule.

Projects in the Public Schools category must be built on land owned by public K-12 schools, districts, or public institutions of higher education. There has not been much uptake in the Public Schools category. For example, despite the Public Schools category having 147.07 MW of capacity in the 2024-25 Program Year, only 3.24 MWs have been awarded program capacity as of April 2025.

Questions

1. What barriers and decision-making challenges do public schools face when exploring the opportunity to install solar and participate in the Illinois Shines program?
2. What sort of education or outreach would make participation in the Illinois Shines program more accessible to schools?
3. What, if any, additional considerations should be made for Tier 1, Tier 2, and schools located in Environmental Justice Communities? Currently, they have prioritized capacity for part of the Program Year and do not require collateral.
4. What changes could be made to make the Public Schools category more attractive to developers and schools?

Response Comments:

Q1. Ameren's understanding of the challenges faced by public schools is two-fold: 1) The length of time legally required for these entities' purchasing practices doesn't always align with Agency timeframes for submission of RECs to fulfill REC awards; and 2) These projects are located deep in the interconnection queue behind what often turn out to be speculative projects not associated with behind the meter applicants. Ameren Illinois is taking steps to address the latter concern via modifications to its interconnection application review practices, as discussed in response to Topic 4 Question 1.

TOPIC 7: Co-Location Issues Observed

Background

The Agency has recently received information from various stakeholders related to the division of parcels and/or projects during the pre-development stage. The Agency has concerns that such divisions are occurring in order to manipulate REC prices, avoid the

additional requirements of Project Labor Agreements, reduce the project size to the point where it is no longer considered utility-scale and is therefore eligible to participate in Illinois Shines, or a combination of all three of these.

Project and Parcel Division to Maximize REC Prices

Under statute, no co-located projects with an aggregate capacity over 5 MW may participate in Illinois Shines. Projects over 5 MW are considered utility-scale and can only be incentivized by the Illinois Power Agency through Indexed REC procurements. Typically, the price per REC within the Illinois Shines program decreases as the size of a project increases. The Agency has always considered co-location in the determination of REC prices to prevent the manipulation of the available incentives. The Agency has prohibited the division of large parcels and projects into multiple, smaller projects that individually qualify for higher REC incentives. The Agency understands that some developers are now making these changes in the pre-development stages.

Project Labor Agreements

The IPA Act defines a "utility-scale" solar project as an electric generating facility that has a nameplate capacity greater than 5 MW. Utility-scale solar projects are ineligible for participation in Illinois Shines. Projects of this size may seek to sell their RECs through the Agency's Indexed REC procurements; any project selected through that process must enter into a project labor agreement that conforms to the Illinois Project Labor Agreement Act prior to construction.

Interconnection Queue Clogging

The co-location of multiple Large Distributed Generation and/or Community Solar projects in the same or adjacent parcels with separate interconnection points creates processing and operational challenges at the utility level due to the presence of multiple Points of Interconnection with separate controllers.

Questions

1. What are potential reasons for dividing parcels or projects in the pre-development stage that the IPA should consider, beyond maximizing category-specific REC prices and avoiding project labor agreement requirements? Please explain.
2. How can the Agency ensure that co-location determinations properly ensure that 1) REC prices are being consistently adjusted to the aggregate size of co-located projects, 2) interconnection queues are not clogged, and 3) ensure compliance with labor requirements for projects over 5MW?
3. The Program currently requires the following information through its Part I and Part II application process used for co-location determination: property information (name,

company, address, parcel number), proof of site control, plot diagram or site map, Interconnection Agreement or Certificate of Completion/Permission to Operate, self-identification of previous applications on the same parcel, project ownership information (name, company, address, contact information), and additional information as proof of non-affiliation for projects in the same or adjacent parcels separately requested. What additional documentation is available and/or should be requested by the Agency to ensure compliance with co-location requirements?

4. What challenges exist for developers to coordinate single Points of Interconnection with adjacent projects during their pre-development stages to alleviate interconnection struggles?

Response Comments:

Q3. One potentially effective approach that Ameren has learned of is preventing the award of RECs to non-behind the meter projects located on parcels that are adjacent to each other. The Agency could enforce this by comparing the addresses of previous REC award locations to current non-behind the meter applications for REC awards.

Q4. A single point of interconnection is often helpful in reducing interconnection costs. Ameren observes that the concerns for single points of connection for adjacent projects will more likely manifest themselves after interconnection/operation. The Company's experience is similar to the Agency's in that facilities on the same/adjacent parcels are often sold to other entities after the interconnection agreement featuring the single point of interconnection have been executed. This could result in the Company having to interrupt service for all facilities behind the point of interconnection if one of the facilities needs to be taken out of service for maintenance, repairs or some other reason. Additionally, damage to the circuit to which the facilities are located from storms or other sources results in interruptions in output from multiple generation resources which can increase the amount of power sourced from external resources through the grid.

From an operational perspective, co-located sites that are built to qualify as Community Solar or otherwise participate in Illinois Shines create an operational dilemma because there is no practical way to coordinate the operation of all sites such that they function in harmony with each other, thus risking the safe and reliable operation of the grid. This is the result of multiple factors, including the equipment and control segmentation of each site as each one resides behind a separate revenue meter and also because it is likely that each site would be owned and operated by separate entities, each with their own operating priorities. The most effective way to ensure that this scenario does not occur is to limit or de-incentivize the co-location of sites that are purpose-built to qualify for participation in the Illinois Shines program.

Ameren Illinois believes that ongoing discussions with the Agency in addition to the LTRRP comment solicitations would be beneficial and helpful for both entities to understanding real-time developments. The Company appreciates the Agency's pivotal role in both facilitating development of distributed renewable resources and educating consumers on their options and rights, and stands ready to support those efforts.