Stakeholder Feedback Request for the 2026 Long-Term Plan Chapter 9: Consumer Protection

TOPIC 1: Solar Restitution Program Vendor Caps and Funding

Background

When the Agency proposed the Solar Restitution Program in Section 9.9 of the 2024 Long-Term Plan, it took the conservative approach of including caps on restitution payments. The Agency was aware that the California Solar Energy System Restitution Program, funded by a one-time appropriation of $5 million, ran out of funding within about 2 years, and that this was in large part attributed to not having a cap on the amount of payments that could be made based on conduct of a single vendor (that is, much of the budget was exhausted by restitution payments related to just a few "bad actors"). The Agency's initial proposal therefore included both a per-project cap ($30,000) and a "vendor cap" ($200,000).

The Agency is now reconsidering the amount and application of the vendor cap. The Agency expects to reach the vendor cap in the case of at least two Approved Vendors in the first phase of the Restitution Program (which will be limited to restitution claims where the Approved Vendor promised to pass through a portion of the REC incentive payment to the customer, and the Approved Vendor received the payment from the utility, but did not make the pass-through to the roughly 10-15% of their promised REC incentive payment. This would also leave no money for claims against the Approved Vendor in later phases of the Solar Restitution Program for other types of harm.

The Agency is concerned that if the application of the vendor cap leads to customers receiving restitution payments that only compensate them for a relatively small fraction of the economic harm experienced (or no compensation at all), then the Solar Restitution Program may not meet its policy objectives. The Agency is therefore considering whether the vendor cap should be raised or potentially even eliminated. For background on funding, in the 2024 Long-Term Plan, the Agency established that it would use forfeited collateral from IPA solar programs and procurements as the initial funding source for the Solar Restitution Program. In September 2024, the Agency estimated that the total forfeited collateral from Illinois Shines projects was approximately $3 million, the total forfeited collateral from Illinois Solar for All projects was about $620,000, and the total forfeited collateral from utility-scale solar procurements administered by the Agency was approximately $12 million. The Agency's current estimate is that forfeited collateral from utility-scale solar procurements is over $19 million. Forfeited collateral is held by the utilities as part of the general Renewable Portfolio Standard funds and is periodically replenished when additional collateral is forfeited.

The Agency is also interested in feedback on whether the per-project cap should be increased for Large Distributed Generation projects. For example, the total promised pass-through amount for Large Distributed Generation projects may be in the hundreds of thousands.

The Agency is also considering whether it should propose to include forfeited collateral from utility scale wind procurements as a source of funding for the Solar Restitution Program. Forfeited collateral from IPA utility-scale wind procurements is approximately $5 million to date.

Finally, the Agency is considering what should happen if the pool of forfeited collateral is exhausted. In Section 9.9 of the 2024 Long-Term Plan, the Agency stated that "[t]he Agency plans to account for forfeited collateral from solar projects that fail to satisfy REC Contract requirements separately in the Renewable Resources Budget, and will use this money ﬁrst to make restitution payments to customers," with a footnote explaining that "[t]he Agency is interested in exploring legislative opportunities for additional funding sources." The Agency seeks feedback on possible approaches if forfeited collateral runs out, which could include (1) tracking but not paying out any additional claims until additional collateral is forfeited, (2) using other money in the Renewable Portfolio Standard ("RPS") budget, and/or (3) exploring other funding sources.

Questions

1. Should the vendor cap for the Solar Restitution Program be retained at $200,000, raised to a higher level (and if so, to what dollar amount), or be eliminated entirely?
2. Should the per-project cap be increased for Large Distributed Generation projects? If so, to what amount?
3. Should forfeited collateral from utility-scale wind procurements be included as a source of funding for the Solar Restitution Program?
4. What approach (or combination of approaches) should the Agency take if the forfeited collateral runs out?

Response Comments:

Ameren was and is supportive of the Agency's efforts to provide consumer restitution funds and similar programs which were initiated in the 2024 LTRRP. Based on its own experience in initiating programs, the Company anticipated that the Agency would encounter unanticipated developments in the implementation of the Restitution Program. Ameren is supportive of the Agency's proposal in Questions 1-3 and takes no position on Question 4.

TOPIC 3: Stranded Projects When the Original Approved Vendor Is Unable to Facilitate Assignments

Background

As identified in the 2024 Long-Term Plan, the issue of "stranded customers" is an ongoing (and potentially increasing) concern in the Illinois Shines DG categories. While it has not been a significant issue in Illinois Solar for All, it may arise there as well. Customers are most frequently stranded when a company goes out of business, which may include voluntary or involuntary bankruptcy. When a customer is stranded by its Approved Vendor, the best path forward is often assignment of the solar project to a new Approved Vendor. (This is the basis for the creation of the stranded customer REC adder, which encourages Approved Vendors to take on stranded projects.) One complication, however, is that the current REC Contract requires the original Approved Vendor to sign off on the reassignment. If a company goes out of business, there may not be any person left to make decisions or sign legal documents on behalf of the company. In this situation, the solar projects are essentially "stuck" with the original (out of business) Approved Vendor, and there is no path forward that would allow for reassignment to a new Approved Vendor. The Agency is considering whether the Agency should create a procedure to allow for reassignment of projects if the original Approved Vendor goes out of business and is entirely nonresponsive and/or there is no person left who can execute agreements on behalf of the entity.

If an Approved Vendor goes out of business and has solar projects that are not reassigned, that Approved Vendor will likely eventually default on its REC Contract with the utility (for example, by not filing required reports). The utility may then issue a notice of default and may ultimately terminate the REC Contract. The Agency is considering a possible amendment to the REC Contract that would allow for unilateral reassignment of project batches by the utility in place of termination, or in combination with termination. In other words, the utility would notify the original Approved Vendor of the default, but then instead of the utility unilaterally terminating the Contract, the utility would have the option to unilaterally reassign batches or the entire Contract to a new Approved Vendor or multiple Approved Vendors (with the consent of the new Approved Vendor(s)). This approach could also allow for re-batching of projects before assignment. If any batches were left that were not assigned, only those would be terminated by the Contract termination.

The Agency is also considering whether, in the event that the utility terminates an Approved Vendor's REC Contract, the projects that were subject to the REC Contract should be permitted to reapply to the Program and, if so, what process, limitations, and requirements should apply. These projects would no longer be under contract, and the utilities would

have no right to the RECs generated by them, absent reapplication and reapproval. In this way, they are equivalent to new projects. However, reapplication could be seen as "double dipping," especially if the utility is unable to claw back the original REC incentive payments. The Agency seeks an approach that is reasonable, fair, and administratively workable.

Questions

1. Should the Agency create a process to allow projects to be reassigned if the original Approved Vendor goes out of business and becomes entirely unresponsive and/or there is no person who can sign off on assignments on behalf of the Approved Vendor?
2. Should the Agency revise the REC Contract to allow for unilateral reassignment of batches in place of (or in combination with) termination of the REC Contract? What complications might arise from this approach? Would there be any downsides?
3. If a REC Contract is terminated by the utility, should the Agency allow projects that were subject to that REC Contract reapply to the Program? Should this depend on whether there is an option for batches to be unilaterally reassigned instead of terminated? If reapplication is allowed, what process should be followed? What limitations and/or requirements should apply? Should the new Approved Vendor be required to pay an application fee and collateral for the project?

Response Comments:

Ameren is supportive of research into options to address questions 1 & 2. Ameren has already experienced delays with vendors who have a representative willing to sign documents in this process. At some point an unresponsive scenario will occur, and it would be reassuring to have a contingency set up ahead of this event. Otherwise, the program risks significant delays in assisting stranded customers.

Q3: Ameren does support processes that would help already invested customers achieve their solar goals. This question and process would have several variables that would need to be discussed and workshopped. Unilateral assignments from Question 2 would be a factor in this process. Initial concerns Ameren has would include status of payments with the terminated vendor and the new vendor taking over the projects. Ameren will have additional comments and concerns as this process is ironed out.