



Illinois Shines & ILSFA

**Stakeholder Feedback Request:**

REC Price Adder for Stranded Customer Solar Projects (DG)

September 16, 2024

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The Illinois Power Agency proposed the creation of a REC price adder in the 2024 Long-Term Renewable Resources Procurement Plan (“2024 Long-Term Plan”) to incentivize Approved Vendors to assist stranded customers. The Agency is now fleshing out the proposal for the stranded customer REC adder and seeks stakeholder feedback on all aspects of the proposal.

Stakeholders may comment on as many or as few of the items outlined within this document as they would like. Stakeholders should not feel limited by the questions offered below and may provide comments on these proposals beyond the scope of these specific questions.

**Please provide comments via email attachment to [IPA.Solar@illinois.gov](mailto:IPA.Solar@illinois.gov) with the subject “[Responder’s Name] – Stakeholder Feedback on CP Proposals” by October 7, 2024.**

In general, responses will be made public and published on the IPA’s website. Should a commenter seek to designate any portion of its response as confidential and proprietary, that commenter should provide both public and redacted versions of its comments. Independent of that designation, if the Agency determines that a response contains confidential information that should not be disclosed, the Agency reserves the right to provide its own redactions.

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**Background**

The [Final 2024 Long-Term Renewable Resources Procurement Plan](#) provides background on the issue of stranded Illinois Shines Distributed Generation (“DG”) customers:

*[There] is an increasing trend of customers becoming “stranded”—that is, the situation when a customer has already signed a contract with a solar company, and then the Approved Vendor (and sometimes also the Designee) goes out of business or is prevented from moving forward with the project for other reasons, such as disciplinary action. The stranded customer may be left without an Approved Vendor to advance their application through the review process, or to pass through promised REC payments from the contracting utility. For distributed generation solar projects that are purchased (as opposed to projects that are leased or financed with a PPA), many Approved Vendors use a model where the Approved Vendor passes through some of the REC incentive lump sum payment. This “pass through” occurs after the Approved Vendor receives the incentive, which is generally several months (or even longer) after installation of the solar project.*

*Customers can be stranded in different stages of their project and in different situations. In many cases, it is difficult for a customer to find a new company to take on their*

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*project, especially if the project has been partially installed but not completed. In other situations, assisting a customer in moving a project forward is less complex, such as when the project is complete and operational, and the customer just needs a new Approved Vendor to submit project application materials (and potentially pass through part of the REC incentive payment). Even in this case, however, there may be additional hurdles, such as obtaining the correct application materials from a Designee that has dissolved its business or is unknown to the new Approved Vendor. The Agency has repeatedly heard that assisting stranded customers is often unattractive to Approved Vendors and Designees because the work and risk can outweigh the benefits.*

After providing additional background, the 2024 Long-Term Plan outlines the plan to develop a stranded customer REC adder:

*The Agency therefore will implement an economic incentive for Approved Vendors that assist stranded customers in the form of a “REC adder”—that is, an increased price in the REC Contract for RECs generated by projects that were stranded and then “unstranded.” An overview of the Agency’s planned approach is outlined below, and, consistent with the Commission’s Final Order, the Agency will use additional stakeholder processes to fully develop the initiative. The Agency also plans to update and modify the initiative, as needed, as the Agency learns more through its development and implementation.*

The Agency intends to make a stranded customer REC adder available in both Illinois Shines and Illinois Solar for All (“ILSFA”). Since the development of the 2024 Long-Term Plan, the Agency has started to see Approved Vendors in ILSFA exit the residential solar market. Accordingly, the Agency believes that there may be a need to incentivize the assistance of stranded customers in ILSFA as well as in Illinois Shines.

The intent of the REC adder is to incentivize Approved Vendors to take on customers who have been stranded. It is intended to offset the additional necessary costs or risks to companies that are above and beyond those associated with a non-stranded or typical customer. The REC adder is not intended to compensate for individualized costs related to the specific project; for example, a stranded customer may have a solar project with a faulty inverter. The REC adder is not intended to cover the cost of replacing the inverter. The Agency is also developing a Restitution Program that could potentially compensate a customer for the replacement of the inverter if the customer meets all eligibility requirements for the Restitution Program.

### **Project Eligibility**

The 2024 Long-Term Plan then goes on to address project eligibility:

***Project Eligibility:*** *Projects will be eligible for the REC adder when a new Approved Vendor takes on a customer that had been “stranded”—that is, the original Approved Vendor (and possibly also the Designee) that had contracted with the customer has gone out of business, ceased operations, or there is otherwise no reasonable likelihood that the Approved Vendor will follow through on its contractual obligations to the customer or will continue to act as the Approved Vendor for the project. The [Illinois Shines]*

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*Program Administrator maintains an internal list of stranded customers and an Approved Vendor or Designee who is considering taking on a customer will be able to ask for a determination from the Program Administrator on whether the customer is “stranded.”*

*The Agency does not intend to restrict the terms of the customer contract with the new Approved Vendor, but will require a new Disclosure Form to be signed if any of the terms of the new contract vary from the customer’s original contract with the initial Approved Vendor and/or Designee.*

There may be situations where the Program Administrator is required to make judgment calls on whether a customer is or is not “stranded.” The determination by the Program Administrator will be based on whether there is a reasonable likelihood that the entity will meet its contractual obligations and/or successfully act as the Approved Vendor. In situations where it is a close call, the Agency proposes that the decision made will be the one that best protects the customer’s interests. The Long-Term Plan explains that the REC adder would be available when a *new* Approved Vendor takes on a stranded customer. This clearly precludes the original Approved Vendor from claiming a REC adder if, after stranding a customer, it later decided to move forward with that customer. The Agency now proposes that affiliates of the original Approved Vendor would also be precluded from receiving the stranded customer REC adder.

**Stranded Customer Categories**

The 2024 Long-Term Plan then explained that the Agency would develop a list of categories of types of stranded customers, and determine a specific REC adder amount for each type of stranded customer. This approach is intended to help ensure consistency and transparency.

The Agency has developed proposed categories of stranded customers and previewed these with stakeholders in two forums: the June 7, 2024, Consumer Protection Working Group (circulated prior to the meeting along with the agenda) and in an initial stakeholder survey.<sup>1</sup> Based upon that feedback, the Agency has adjusted the proposed categories as part of this stakeholder feedback request – see Attachment A.

Attachment A shows a list of 28 total “categories” (rows) of stranded customers, based on all the anticipated possible situations in which a customer might be stranded. The categories are split into two tables. Table 1 is for situations where the Approved Vendor uses an “aggregator” model. By “aggregator” model, the Agency means a model where Designees are primarily responsible for marketing, selling, and installing the solar project, and the role of the Approved Vendor is primarily limited to submitting project applications and managing responsibilities under the REC Contract. Table 2 is for situations where the customer has contracted with the Approved Vendor for the installation of the solar project. The Approved Vendor may still use Designees for marketing or sales or installation, but the customer’s primary contractual relationship is with the Approved Vendor. If there are stranded customers that do not fit neatly into either the situation assumed for Table 1 or

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<sup>1</sup> <https://illinoisshines.com/surveys-for-feedback-on-rec-adder-and-disclosure-form-updates-response-deadline-july-24/> or <https://www.illinoissfa.com/announcements/2024/07/surveys-for-feedback-on-rec-adder-and-disclosure-form-updates-response-deadline-7-24/>.

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Table 2, the Program Administrator will use the Table that makes the most sense given the specific factual situation, and the Agency may update the Tables and category lists as necessary and appropriate.

Each table includes a description of each category or situation, notes on the situation, considerations for the value of the REC adder, and a proposed determination of whether the category would receive the low, medium, high, or very high REC adder value.

Each table is color-coded, based on whether (a) the Designee became unavailable, (b) the Approved Vendor became unavailable, or (c) the REC Contract was terminated. Blue rows indicate situations where the customer’s Designee installer becomes unavailable. The Agency does not anticipate situations where a REC adder would be necessary or appropriate when a Designee *other than the installer* goes out of business. For example, consider the situation where Designee Sales Co. sells a solar project to Customer Cathy, and Designee Sales Co. subcontracts with Designee Install LLC to install the solar project. Say Designee Sales Co. goes out of business halfway through the installation of the solar project. Customer Cathy may be harmed if she made a deposit or other upfront payment (if that payment was not passed through to the installation company)—i.e., Cathy may end up paying twice for some or all of the labor or supplies. Or Cathy may have paid Designee Sales Co. for a warranty service that she now must purchase from another company. However, these are the types of injuries that the Agency intends the Restitution Program to ultimately address. The Agency does not expect that the sales company going out of business would increase costs or risks for Designee Install LLC or for the Approved Vendor, and therefore does not believe that a REC adder would be necessary. However, as explained further below, the Program Administrator will accept requests for limited exceptions to REC adder requirements, and may approve such requests in certain situations.

Green rows in the tables indicate situations where the Approved Vendor becomes unavailable. Pink rows indicate situations where the contracting utility (the utility that has contracted to purchase RECs from the Approved Vendor) (or the IPA, in the case of some ILSFA projects) terminates the REC Contract with the Approved Vendor.

**Proposed REC Adder Values**

As noted above, each category has been assigned to one of four REC adder groups: low, medium, high, and very high. Based on initial feedback from stakeholders about the additional costs associated with taking on stranded customers, the Agency is proposing the following REC adder values for projects less than 100 kW AC:

**FIGURE 1: REC Adder Values for Projects Less than 100 kW AC**

	Illinois Shines	Illinois Solar for All
Low	\$2.00	\$4.00
Medium	\$4.00	\$8.00
High	\$6.00	\$12.00
Very High	\$8.00	\$16.00

Based on stakeholder input, the Agency decided to develop the REC adders for projects that are under 100 kW AC to be roughly equal to a 2.5%, 5%, 7.5%, and 10% increase in the REC value. For Illinois

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Shines, the Agency calculated the average REC value for DG projects between 0 and 25 kW across both Groups A and B, which equaled \$74.66. A 2.5% increase of that REC value (for the lowest REC adder value) would be \$1.87, which the Agency rounded to \$2. The Agency then extrapolated the medium, high, and very high values from \$2, leading to values of \$4, \$6, and \$8. For ILSFA, the Agency calculated the average REC price for Small Residential projects in the sizes 0-25 kW, which equaled \$166.02. A 2.5% increase of that REC value would be a “low” REC adder value of \$4.15, which the Agency rounded to \$4. From there, the Agency extrapolated the medium, high, and very high values to be \$8, \$12, and \$16.

For larger projects, a simple application of the above REC adder values would lead to extremely high REC adders. The Agency believes that the resulting values would be far beyond what is reasonably necessary to incentivize Approved Vendors to assist stranded customers. Therefore, for larger projects in both Illinois Shines and ILFSA, the Agency is considering two different approaches.

The first possible approach for larger projects would be applying the following caps on the total value of the REC adder.

**FIGURE 2: Caps on Total REC Adder Amount for Larger Projects**

Project Size	100 kW AC or larger, but less than 1 MW AC	1 MW AC or larger
Low	\$10,000	\$12,500
Medium	\$20,000	\$25,000
High	\$30,000	\$37,500
Very High	\$40,000	\$50,000

If the application of the REC adder values in Figure 1 will exceed the cap on the total REC adder amount in Figure 2 (that is, if the REC adder value from Figure 1, multiplied by the number of RECs under contract for the project, will exceed the relevant cap in Figure 2), then a custom per-REC adder will be calculated. The custom REC adder value will be calculated by dividing the applicable cap by the number of RECs under contract for the project, resulting in an individualized per-REC adder value.

A second option for larger projects (100kW and bigger) would be to develop numerous sets of gradually decreasing REC adder values as the projects get larger. For example, a unique set of values for the low, medium, high, and very high REC adders could be developed for projects 100-199 kW, 200-299 kW, 300-399 kW, etc.

Please note that the intent of the REC adder is to incentivize Approved Vendors (and Designees) to take on stranded customers by partially compensating the Approved Vendors (who may then compensate their Designees) for additional work and/or risk that comes with helping stranded customers. **The primary intent is not to compensate customers for their costs associated with being stranded, such as having to hire a second installer to complete or re-do installation work on the project.** The solar Restitution Program (also proposed in the 2024 Long-Term Plan and currently under development) is focused on compensating customers for financial harm in certain circumstances (beginning with an Approved Vendor’s failure to pass through promised REC incentive payment(s) and later expanding to other harm related to installations, poor workmanship, etc.). The



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Agency acknowledges that it may be difficult in some circumstances to draw a line between costs expected to be borne by the Approved Vendor/Designee and those borne by the customer.

**Questions for stakeholders:**

1. Are the proposed REC adder values adequate to incentivize Approved Vendors and Designees to assist stranded customers in each of the categories listed in Tables 1 and 2 of Attachment A? If you believe the REC adder values should be higher or lower, please provide an explanation and any supporting data.
2. Are there additional categories that should be added to the Tables in Attachment A (either to cover additional types of customers or to split an existing category into multiple categories with different REC adder values)?
3. Is the proposed approach of having different REC adders for Illinois Shines and ILSFA appropriate?
4. Should the REC adder values proposed herein be amended to differ based on the type of utility customer or sub-program/program category?
5. Which approach should be used for REC adder values for larger projects (100kW and above)?
6. If the first approach described above is used for larger projects, are the proposed caps appropriate? Should the caps be the same for Illinois Shines and ILSFA?
7. If the second approach described above is used for larger projects, how should the REC adder values be set?

**Process and Application in Specific Circumstances**

The 2024 Long-Term Plan also sets out the general process for applying for the REC adder for a specific project and explains its applicability:

*If an Approved Vendor takes on a stranded customer, the Approved Vendor will submit a form to the Program Administrator with information such as the customer's name and address, the project status, how the customer was stranded, and which category and REC adder value the Approved Vendor believes the project is eligible for. The Program Administrator will review the documentation and determine whether the project is eligible for a stranded customer REC adder and, if so, what category and value. The Program Administrator would be able to consider flexibility in specific requirements on a case-by-case basis for unusual circumstances. If the Approved Vendor disagreed with the determination, it could appeal to the IPA using the standard appeal process.*

The Agency and Program Administrator will develop the REC adder request form, and any accompanying instructions/guidance after the finalization of the REC adder approach and values.

The Agency acknowledges that it may not be able to foresee all possible stranded customer situations. Therefore, the Agency proposes that Approved Vendors may submit a formal request for a project to be considered for a REC adder even if the project/customer does not meet all of the specific applicable requirements, or for a project to be considered for a higher REC adder than it would otherwise receive. The Approved Vendor would have to show with reasonable certainty that the Approved Vendor or Designee would have to take on significant additional costs or risks, that any REC adder for which the project is eligible is not sufficient to meaningfully offset the additional cost and/or risk

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due to the customer's stranded status, and that it is unlikely that any Approved Vendor (or Designee, as applicable) would take on the stranded customer absent the requested REC adder.

**Questions for stakeholders:**

8. Is the above approach an appropriate standard or burden of proof that should be required for an exception to the normal REC adder requirements?
9. If an Approved Vendor submits a request for a REC adder (or higher REC adder), what REC adder values should be possible? Should the Approved Vendor have to select from one of the values set for the standard low, medium, high, or very high REC adders? Or should the Approved Vendor be able to request a custom REC adder value?

The 2024 Long-Term Plan continues:

*If the customer is stranded in a situation where it needs a new Designee as well as a new Approved Vendor, the Approved Vendor will still be responsible for submitting the form to the Program Administrator and the Approved Vendor and Designee would determine between themselves how to allocate the REC adder value.*

There may be situations where a customer is stranded by both their Designee and their Approved Vendor. The Agency seeks feedback on how this situation should be handled.

**Questions for stakeholders:**

10. How should the REC adder be applied if a customer is stranded by both their Approved Vendor and also by an installer Designee? Should the higher applicable REC adder apply? Should both potentially applicable REC adders be awarded? Should the customer be automatically eligible for the highest possible REC adder value?

The Long-Term Plan then explains:

*The Agency requested that the Commission approve an approach where the possible REC adder is available even for REC Contracts that pre-date the Agency's 2024 Plan; this will allow the proposal to assist current stranded customers, not just future stranded customers whose projects are under future REC Contracts. The Agency also requested approval to make the REC adder available even after the original or "base" REC incentive payments were made. This would be relevant, for example, if an Approved Vendor became unavailable several years into the REC Contract—after the REC incentive was paid—but the project still needs an Approved Vendor to ensure REC delivery and file annual reports (and the customer may potentially have put up the collateral that is at risk in the case of underperformance), or the customer needs a new Approved Vendor or Designee to provide maintenance or warranty coverage. In its Final Order in Docket 23- 0714, the Commission approved the REC adder proposal and explicitly approved the plan to "allow the possible REC adder to be available even for REC Contracts that pre-date the Agency's 2024 Plan," and also approved the plan "to make the REC adder available even after the original or 'base' REC incentive payments were made."*

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The 2024 Long-Term Plan does not address how the REC adder would be implemented with respect to the REC Contract. The Agency and Program Administrator intend to conduct a separate stakeholder process this calendar year to create an amendment to the current and prior REC Contracts to allow for the incorporation of the REC adder, even for projects under previous versions of the REC Contract. The Long-Term Plan also does not address how the REC adder would be handled in the invoicing process (which may be complicated in the case of projects that have started but not completed invoicing), or whether the applicable REC Contract would need to go back to the Illinois Commerce Commission for re-approval with a higher contract price.

**Questions for stakeholders:**

11. How should the REC adder be reflected in invoicing, in different situations (e.g., invoicing has not started yet, invoicing has started but not finished, invoicing has finished).
12. When a stranded customer REC adder is applied, should the REC Contract go back to the Illinois Commerce Commission for re-approval?

The Long-Term Plan also explains additional details about the availability of the REC adder for customers in specific situations:

*There are some customers who become partially “stranded” when a Designee goes out of business, but the intended Approved Vendor for the project is still available. The Agency believes that in many cases, it is appropriate in those circumstances for the Approved Vendor—who is ultimately responsible for its Designees—to assist the customer. However, the Agency is aware that there are varying models and approaches to the division of roles between Approved Vendors and Designees. Some Approved Vendors serve only as “aggregators.” Aggregators do not sell or install solar projects, and may not even interact much with the customer; aggregators generally submit the project application to the Program and serve as the Seller of RECs under the REC Contract (and pass through any promised REC incentive payment). The Agency’s understanding is that aggregators may not even learn about specific customers or projects until the seller Designee submits application materials to the Approved Vendor. While aggregator Approved Vendors, like all Approved Vendors, are ultimately responsible for the conduct of their Designees, the Agency understands that there are pragmatic differences in the roles and business practices of the entities involved.*

*Therefore, if a customer becomes stranded by its Designee becoming unavailable, the Agency intends that the stranded customer REC adder is available only if the Designee is the entity with which the customer entered into the installation contract. If the customer signed an installation contract with the Designee, and the Designee subsequently became unavailable, the customer’s project will be considered an eligible stranded project. However, the Agency notes that it would expect the value of the REC adder to be primarily retained by the new Designee, and not the Approved Vendor aggregator.*

*If the customer’s installation contract was with the Approved Vendor (and for example, the Designee was a subcontracted installer), the Approved Vendor would be responsible for following through with its contractual commitments to the customer, regardless of*





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*whether the Designee installer went out of business, and the REC adder would not be available.*

The above-described approaches are reflected in the proposed stranded customer categories, provided in Attachment A. For example, rows 1-4 (in Table 1) describe situations where a REC adder would be available for a project when the Designee installer becomes unavailable. Row 15 (in Table 2) explains that if the customer has contracted for the solar project directly with the Approved Vendor, and a Designee subcontractor becomes unavailable, the project would *not* be eligible for a REC adder.

**The Agency seeks feedback on all aspects of the above approach, not limited to the specific questions listed.** Please note that the high-level approach outlined in the 2024 Long-Term Plan has been approved by the Illinois Commerce Commission in [Docket 23-0714](#) and cannot be changed at this time, and that additional details must be consistent with the Commission approved approach.

**Stakeholder Feedback Request:**  
REC Price Adder for Stranded Customer Solar Project (DG)

September 16, 2024

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**ATTACHMENT A**  
**Categories of Stranded Customers and Considerations for REC Adder Pricing**

**TABLE 1: AGGREGATOR MODEL**

- **For the Aggregator Model reflected here, the customer contracts with the Designee for the solar project. The customer may have a separate contract to sell RECs to the Approved Vendor (“AV”), but the AV was not involved in marketing/sales/installation of the solar project.**
  - Blue rows represent situations where the installer Designee becomes unavailable – i.e., goes out of business, becomes entirely unresponsive, is not permitted to continue with the project due to disciplinary action, etc.
  - Green rows represent situations where the AV becomes unavailable – i.e., goes out of business, becomes entirely unresponsive, is not permitted to continue with the project due to disciplinary action, etc. – but the REC Contract (if already entered into) is not terminated by the utility (or IPA).
  - Pink rows represent situations where the utility (or IPA, for some ILSFA REC Contracts) terminates the REC Contract between the AV and the utility (or IPA).

	Stranded Customer Situation	Notes	Considerations for REC Adder Pricing	REC Adder Group
1	<ul style="list-style-type: none"> <li>• Designee becomes unavailable <u>prior to beginning installation</u></li> <li>• Could be prior to or after Part I application submission</li> </ul>	<ul style="list-style-type: none"> <li>• These are all situations where the Designee becomes unavailable – either goes out of business, becomes entirely unresponsive, is not permitted to continue with the project due to disciplinary action, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Taking on these projects shouldn’t have significantly more work or risk as compared to typical customer</li> </ul>	LOW
2	<ul style="list-style-type: none"> <li>• Designee becomes unavailable <u>after beginning but prior to completing installation</u> (substantive install or electrical work needs to be completed)</li> <li>• Could be prior to or after Part I application submission</li> </ul>	<ul style="list-style-type: none"> <li>• Aggregator AV would be eligible for REC adder, however the Agency expects that most of the REC adder value would be passed through to the new Designee</li> <li>• If customer lost money by already making payments to the original Designee, that would not</li> </ul>	<ul style="list-style-type: none"> <li>• Taking over a partially completed project could be difficult technically and involve higher risk</li> </ul>	HIGH

	Stranded Customer Situation	Notes	Considerations for REC Adder Pricing	REC Adder Group
3	<ul style="list-style-type: none"> <li>Designee becomes unavailable after installation is substantively complete but <u>minor work, interconnection, or approvals still needed</u></li> </ul>	<ul style="list-style-type: none"> <li>be compensated through the REC Adder, but could be eligible for future version of Restitution Program</li> <li>Customer could have already entered into contract to sell RECs to Aggregator AV (in which case they may wish to stick with that Aggregator AV, who would be eligible for REC adder to add value to encourage Designee installer to take it on)</li> </ul>	<ul style="list-style-type: none"> <li>Value of adder is not to cover the actual installation work required of the new Designee, but to encourage Designee to take on these projects</li> <li>New Designee may need to review / double-check prior installer's work and/or familiarize themselves with equipment they don't normally use</li> <li>New Designee would also need to collect application documentation</li> </ul>	HIGH
4	<ul style="list-style-type: none"> <li>Designee becomes unavailable <u>after installation is complete</u> but before all necessary application documentation was provided to an AV (or to the customer)</li> </ul>		<ul style="list-style-type: none"> <li>May not need new Designee at all, just need to work with customer to collect necessary documentation</li> <li>AV may need to review materials/system to ensure it was installed correctly and generating as expected</li> </ul>	MEDIUM
5	<ul style="list-style-type: none"> <li>Intended AV aggregator becomes unavailable prior to Part I application submission, Designee still available</li> </ul>	<ul style="list-style-type: none"> <li>If there's no Part I application, the customer in a sense is not stranded in our Program</li> </ul>	<ul style="list-style-type: none"> <li>No REC adder because the process isn't any different for the new AV than a regular new customer</li> </ul>	---
6	<ul style="list-style-type: none"> <li>AV becomes unavailable after Part I application has been started, but it is incomplete and/or has pending Need Info requests (Designee still available)</li> </ul>	<ul style="list-style-type: none"> <li>Customer can choose to have project reapplied with a new AV without original AV agreeing to transfer (from Program perspective; note that the customer may have a contract with original AV to use that AV)</li> <li>If original AV agrees, Program Admin can transfer Part I application to new AV</li> </ul>	<ul style="list-style-type: none"> <li>If customer starts over with new AV, no REC adder because that's not any different for the AV than a new customer</li> <li>If Part I application is transferred to a new AV, may be minimal additional work to complete Part I application</li> </ul>	LOW (No REC adder if customer starts application process over with new AV)
7	<ul style="list-style-type: none"> <li>AV becomes unavailable after Part I verification but prior to REC Contract execution (Designee still available)</li> </ul>	<ul style="list-style-type: none"> <li>Customer can choose to have project reapplied without original AV agreeing to transfer (from Program perspective; note that the customer may have a contract with original AV to use that AV)</li> <li>If original AV agrees, Program Admin can transfer Part I application to new AV</li> </ul>	<ul style="list-style-type: none"> <li>If customer starts over with new AV, no REC adder because that's not any different for the AV than a new customer</li> <li>If Part I application is transferred to a new AV, may be little or no additional work due to customer having been stranded</li> </ul>	LOW (No REC adder if customer starts application process over with new AV)
8	<ul style="list-style-type: none"> <li>AV becomes unavailable after Part I verification and after REC contract execution, but prior to Part II application submission (Designee still available)</li> </ul>	<ul style="list-style-type: none"> <li>Unavailable AV has to agree to "AV Reassignment"</li> </ul>	<ul style="list-style-type: none"> <li>AV will have to process AV Reassignment but otherwise not a lot of additional work</li> </ul>	LOW

	Stranded Customer Situation	Notes	Considerations for REC Adder Pricing	REC Adder Group
9	<ul style="list-style-type: none"> <li>AV becomes unavailable after Part II application has been started but application is incomplete, or is in Need Info (Designee still available)</li> </ul>	<ul style="list-style-type: none"> <li>Unavailable AV has to agree to "AV Reassignment"</li> </ul>	<ul style="list-style-type: none"> <li>AV will have to process AV Reassignment but otherwise not a lot of additional work</li> </ul>	LOW
10	<ul style="list-style-type: none"> <li>AV becomes unavailable after Part II verification, prior to any REC incentive payments</li> </ul>	<ul style="list-style-type: none"> <li>Unavailable AV has to agree to "AV Reassignment"</li> </ul>	<ul style="list-style-type: none"> <li>AV will have to process AV Reassignment but otherwise not a lot of additional work</li> </ul>	LOW
11	<ul style="list-style-type: none"> <li>AV becomes unavailable after Part II verification, and the project has multiple REC incentive payments, which have started but there are still remaining payments</li> </ul>	<ul style="list-style-type: none"> <li>Unavailable AV has to agree to "AV Reassignment"</li> </ul>	<ul style="list-style-type: none"> <li>Ability for AV to be compensated by retaining a portion of the REC incentive payments depends on how many of the REC incentive payments remain</li> </ul>	
	<ul style="list-style-type: none"> <li>25% or less of the total REC incentive amount has already been made to the original AV</li> </ul>			LOW
	<ul style="list-style-type: none"> <li>More than 25% and up to 50% of the total REC incentive amount has already been made to the original AV</li> </ul>			MEDIUM
	<ul style="list-style-type: none"> <li>More than 50% and up to 75% of the total REC incentive amount has already been made to the original AV</li> </ul>			HIGH
	<ul style="list-style-type: none"> <li>More than 75% of the total REC incentive amount have been made to the original AV</li> </ul>			VERY HIGH
12	<ul style="list-style-type: none"> <li>AV becomes unavailable after all REC incentive payments made, but still under REC contract</li> </ul>	<ul style="list-style-type: none"> <li>Unavailable AV has to agree to "AV Reassignment"</li> </ul>	<ul style="list-style-type: none"> <li>AV taking on risk with little to no reward</li> </ul>	VERY HIGH
13	<ul style="list-style-type: none"> <li>AV becomes unavailable because utility (or IPA, for some ILSFA projects) terminates REC Contract (e.g., for Event of Default) at any time prior to the completion of the REC Contract</li> </ul>	<ul style="list-style-type: none"> <li>Project may be permitted to reapply to the Program with a new AV under a new REC Contract, but may be limitations on REC pricing</li> </ul>	<ul style="list-style-type: none"> <li>No REC adder because the process isn't any different for the new AV than a regular new customer</li> </ul>	---
14	<ul style="list-style-type: none"> <li>Utility (or IPA, for some ILSFA projects) terminates REC Contract (e.g., for Event of Default) and the Designee <i>also</i> becomes unavailable in one of the situations described above in Lines 1-4</li> </ul>	<ul style="list-style-type: none"> <li>Project may be permitted to reapply to the Program with a new AV under a new REC Contract (may be limitations on REC pricing), but could also need a new Designee</li> </ul>	<ul style="list-style-type: none"> <li>REC adders developed for Rows 1-4 would apply</li> </ul>	SEE ROWS 1-4

**TABLE 2: AV IS THE MARKETING AND INSTALLATION COMPANY OR AV HIRES/SUBCONTRACTS WITH DESIGNEE  
MARKETING/INSTALLATION COMPANIES**

- **For the model reflected here, the customer is solicited by the AV, contracts for installation from the AV, and pays the AV for solar project.**
  - Blue rows represent situations where the installer Designee becomes unavailable – i.e., goes out of business, becomes entirely unresponsive, is not permitted to continue with the project due to disciplinary action, etc.
  - Green rows represent situations where the AV becomes unavailable – i.e., goes out of business, becomes entirely unresponsive, is not permitted to continue with the project due to disciplinary action, etc.
    - If the installer is a Designee hired by the AV – rather than the AV acting as the Installer – the Designee may or may not be available.
  - Pink rows represent situations where the utility terminates the REC Contract between the AV and the utility (or the IPA, in the case of some ILSFA REC Contracts).

	Stranded Customer Situation	Notes	Considerations for REC Adder Pricing	REC Adder Group
15	<ul style="list-style-type: none"> <li>• Customer had installation contract with <b>Approved Vendor</b> and installer Designee becomes unavailable</li> </ul>	<ul style="list-style-type: none"> <li>• <b>NOT eligible for REC adder</b>, because Approved Vendor is responsible for finding a new installer Designee to complete the project</li> </ul>		---
16	<ul style="list-style-type: none"> <li>• AV becomes unavailable <u>prior to beginning installation</u></li> <li>• Could be prior to or after Part I application submission</li> </ul>	<ul style="list-style-type: none"> <li>• If customer lost money by already making payments to the original AV, that would not be compensated through the REC Adder, but could be eligible for future version of Restitution Program</li> </ul>	<ul style="list-style-type: none"> <li>• Taking on these projects shouldn't have significantly more work or risk as compared to typical customer</li> </ul>	LOW
17	<ul style="list-style-type: none"> <li>• AV becomes unavailable <u>after beginning but prior to completing installation</u> (substantive install or electrical work needs to be completed)</li> <li>• Could be prior to or after Part I application submission</li> </ul>	<ul style="list-style-type: none"> <li>• Customer could have already entered into contract to sell RECs to AV (in which case the customer needs to determine any on-going contractual obligations)</li> <li>• If the installation is completed by a Designee (that is still available), there may be fewer complications with a partially-installed project (as opposed to if the installation work was to be done by AV that is now unavailable)</li> </ul>	<ul style="list-style-type: none"> <li>• Taking over a partially completed project could be difficult technically and involve higher risk</li> </ul>	HIGH
18	<ul style="list-style-type: none"> <li>• Approved Vendor becomes unavailable after installation is substantively complete but <u>minor work, interconnection, or approvals still needed</u></li> </ul>		<ul style="list-style-type: none"> <li>• Value of adder is not to cover the actual installation work required of the new , but to encourage AV to take on these projects</li> <li>• New AV may need to review / double-check prior installer's work and/or familiarize themselves with equipment they don't normally use</li> <li>• New AV also needs to collect application documentation from original AV (or from Installer Designee)</li> </ul>	HIGH



	Stranded Customer Situation	Notes	Considerations for REC Adder Pricing	REC Adder Group
19	<ul style="list-style-type: none"> <li>AV becomes unavailable <u>after installation is complete</u> but before submission of the Part I application</li> </ul>		<ul style="list-style-type: none"> <li>May not be much more cost or risk than normal for an AV aggregator to take on the application, but AV may need to review materials/system to ensure it was installed correctly and generating as expected</li> </ul>	MEDIUM
20	<ul style="list-style-type: none"> <li>AV becomes unavailable after Part I application has been started, but it is incomplete and/or has pending Need Info requests</li> </ul>	<ul style="list-style-type: none"> <li>Customer can choose to have project reapplied with a new AV without original AV agreeing to transfer (from Program perspective; note that the customer may have a contract with original AV to use that AV)</li> <li>If original AV agrees, Program Admin can transfer Part I application to new AV</li> </ul>	<ul style="list-style-type: none"> <li>If customer starts over with new AV, no REC adder because that's not any different for the AV than a new customer</li> <li>If Part I application is transferred to a new AV, there may not be much more cost or risk than normal for an AV aggregator to take on the application, especially if the installation was done by a Designee that is still available and/or an entity the AV is comfortable working with</li> </ul>	<p>LOW</p> <p>(No REC adder if customer starts application process over with new AV)</p>
21	<ul style="list-style-type: none"> <li>AV becomes unavailable after Part I verification but prior to REC Contract execution</li> </ul>	<ul style="list-style-type: none"> <li>Customer can choose to have project reapplied with a new AV without original AV agreeing to transfer (from Program perspective; note that the customer may have a contract with original AV to use that AV)</li> <li>If original AV agrees, Program Admin can transfer Part I application to new AV</li> </ul>	<ul style="list-style-type: none"> <li>If customer starts over with new AV, no REC adder because that's not any different for the AV than a new customer</li> <li>If Part I application is transferred to a new AV, may not be much more cost or risk than normal for an AV aggregator to take on the application, especially if the installation was done by a Designee that is still available and/or an entity the AV is comfortable working with</li> </ul>	<p>LOW</p> <p>(No REC adder if customer starts application process over with new AV)</p>
22	<ul style="list-style-type: none"> <li>AV becomes unavailable after Part I verification and after REC contract, but prior to Part II application submission</li> </ul>	<ul style="list-style-type: none"> <li>Unavailable AV has to agree to "AV Reassignment"</li> </ul>	<ul style="list-style-type: none"> <li>AV will have to process AV Reassignment but otherwise not a lot of additional work</li> </ul>	LOW
23	<ul style="list-style-type: none"> <li>AV becomes unavailable after Part II application has been started but application is incomplete, or is in Need Info</li> </ul>	<ul style="list-style-type: none"> <li>Unavailable AV has to agree to "AV Reassignment"</li> </ul>	<ul style="list-style-type: none"> <li>AV will have to process AV Reassignment but otherwise not a lot of additional work</li> </ul>	LOW
24	<ul style="list-style-type: none"> <li>AV becomes unavailable after Part II verification, prior to any REC incentive payments</li> </ul>	<ul style="list-style-type: none"> <li>Unavailable AV has to agree to "AV Reassignment"</li> </ul>	<ul style="list-style-type: none"> <li>AV will have to process AV Reassignment but otherwise not a lot of additional work</li> </ul>	LOW

	Stranded Customer Situation	Notes	Considerations for REC Adder Pricing	REC Adder Group
25	<ul style="list-style-type: none"> <li>AV becomes unavailable after Part II verification, and the project has multiple REC incentive payments, which have started but there are still remaining payments</li> </ul>	<ul style="list-style-type: none"> <li>Unavailable AV has to agree to "AV Reassignment"</li> </ul>	<ul style="list-style-type: none"> <li>Ability for AV to be compensated by retaining a portion of the REC incentive payments depends on how many of the REC incentive payments remain</li> </ul>	
	<ul style="list-style-type: none"> <li>25% or less of the total REC incentive amount has already been made to the original AV</li> </ul>			LOW
	<ul style="list-style-type: none"> <li>More than 25% and up to 50% of the total REC incentive amount has already been made to the original AV</li> </ul>			MEDIUM
	<ul style="list-style-type: none"> <li>More than 50% and up to 75% of the total REC incentive amount has already been made to the original AV</li> </ul>			HIGH
	<ul style="list-style-type: none"> <li>More than 75% of the total REC incentive amount have been made to the original AV</li> </ul>			VERY HIGH
26	<ul style="list-style-type: none"> <li>AV becomes unavailable after all REC incentive payments made, but still under REC contract</li> </ul>	<ul style="list-style-type: none"> <li>Unavailable AV has to agree to "AV Reassignment"</li> </ul>	<ul style="list-style-type: none"> <li>AV taking on risk with little to no reward</li> </ul>	VERY HIGH
27	<ul style="list-style-type: none"> <li>AV becomes unavailable because utility (or IPA, for some ILSFA projects) terminates REC Contract (e.g., for Event of Default) at any time prior to the completion of the REC Contract</li> </ul>	<ul style="list-style-type: none"> <li>Project may be permitted to reapply to the Program with a new AV under a new REC Contract, but may be limitations on REC pricing</li> </ul>	<ul style="list-style-type: none"> <li>No REC adder because the process isn't any different for the new AV than a regular new customer</li> </ul>	---
28	<ul style="list-style-type: none"> <li>Utility (or IPA, for some ILSFA projects) terminates REC Contract (e.g., for Event of Default) and the Designee <i>also</i> becomes unavailable in one of the situations described above in Lines 1-4</li> </ul>	<ul style="list-style-type: none"> <li>Project may be permitted to reapply to the Program with a new AV under a new REC Contract (may be limitations on REC pricing), but could also need a new Designee</li> </ul>	<ul style="list-style-type: none"> <li>REC adders developed for Rows 1-4 would apply</li> </ul>	SEE ROWS 1-4