
Illinois Solar for All Residential Solar and Non- Profit and Public Facilities Contract Requirements

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COMPLIANCE REQUIRED BY JUNE 1, 2025¹

The contract requirements listed below apply to projects in the Residential Solar (Small), Residential Solar (Large), and Non-Profit and Public Facilities sub-programs of Illinois Solar for All (“ILSFA” or “Program”), except in some noted cases where requirements apply only to a specific sub-program. All contracts with customers for installation of on-site distributed generation solar projects (including agreements for loans to finance the purchase of a project) must contain the required terms stated in this document. In some cases, the requirements listed herein prescribe the content of specific terms, while other requirements prescribe only the scope of contractual terms to be covered.

Note that the Illinois Solar for All program does not necessarily require the submission of a signed contract (or a contract amendment bringing a previously signed contract into compliance with the below requirements) for every system purchase, lease, or PPA, provided that all Program requirements, such as demonstrating binding site control, are met through other means. However, Approved Vendors must provide documentation to the Program Administrator explaining how the project will meet savings requirements as detailed in the Approved Vendor Manual. The Program Administrator may require the submission of a copy of the contract, or some other statement of customer savings estimates, including assumed parameters.

Contracts may not prohibit or limit the customer’s ability to make complaints to the Program Administrator or Agency or to cooperate with investigations into potential Program violations.

¹ This document was published at least 45 days in advance of the date by which compliance is required, in accordance with the Final Order in ICC Docket No. 19-0995 at 56, 62.

All customer contracts must be executed by customer signature (which may be by electronic means) and include the date of customer signature (which may be recorded manually or automatically).

The Approved Vendor will attest to compliance with the contract requirements herein in Part I of the project application.

1. Common Contract Requirements for all business models

- Contract must be in a language in which the customer is able to understand and communicate;
- Residential Solar (Small) customers cannot be required to provide an upfront payment prior to energization;
- Contract must meet savings requirements as detailed in Chapter 5 of the Approved Vendor Manual;
- Warranty or guarantee, or other agreement, at no additional cost to participants, that meets the following requirements (including for Energy Sovereignty projects):
 - Duration of at least 15 years or the length of the REC Contract (whichever is longer);
 - Includes maintenance and repairs (including parts and labor) such that the full system and all components are operating to industry standards;
 - Ensures no degradation of generation beyond 15% over the first 15 years;
 - Specifies any limitation on the coverage of the warranty, guarantee, or agreement;
 - Specifies remedy for participant in the case of underperformance or other issue and how to file a claim; and
 - Specifies what entity is responsible for the warranty, guarantee, or agreement.
- Financing amounts, terms, and conditions for a purchase of a system must be based on an assessment of the Program participant's ability to repay the debt, as defined by Regulation Z, which is a federal rule that implements aspects of the Truth in Lending Act and the Dodd-Frank Act;²
- Right of rescission within fourteen business days after contract execution (only for Residential Solar sub-programs; not for Non-Profit and Public Facilities);
- System design specification:
 - Site plan or equivalent drawing (this may be incorporated by reference, in which case the site plan or equivalent drawing must be completed and provided to the customer within 30 days of the contract execution and must be substantially consistent with the specifications contained in the contract and Disclosure Form);

² See Consumer Financial Protection Bureau, April 10, 2013. *Ability-to-Repay and Qualified Mortgage Rule, Small Entity Compliance Guide*, https://files.consumerfinance.gov/f/201304_cfpb_compliance-guide_atr-qm-rule.pdf. Under the regulation (12 C.F.R. § 1026.43, issued under authority of 15 U.S.C. § 1639c), creditors generally must consider eight underwriting factors: (1) current or reasonably expected income or assets; (2) current employment status; (3) the monthly payment on the covered transaction; (4) the monthly payment on any simultaneous loan; (5) the monthly payment for mortgage-related obligations; (6) current debt obligations, alimony, and child support; (7) the monthly debt-to-income ratio or residual income; and (8) credit history.

- Size of system;
- Type of panels; and
- Estimated first year production and annual degradation.
- Change in pricing or other terms, if any, in the event of non-selection for an ILSFA REC contract. As an example, a condition precedent clause would satisfy this requirement;
- Allocation of responsibility for securing municipal permits and approvals;
- Installer will be responsible for completing interconnection application if customer requests it;
- Allocation of responsibility for harm to property, materials, and workers during construction;
- Installer commits to not pass on any costs related to curing problems found in project inspections conducted by the Illinois Power Agency or its designees;
- Installer commits to provide name of any subcontractor to customer before work begins;
- Requirement that any change order, including scope and price, must be confirmed in writing;
- Allocation of responsibility for entering meter data (this provision could be in a separate contract);
- All possible fees (other than those mentioned in #2, #3, and #4 below);
 - Any late payment fee must not apply unless the payment is more than seven calendar days late.
- Dispute resolution procedures;
- Governing law;
- No prepayment penalties (only for Residential Solar; not for Non-Profit and Public Facilities);
- When mechanic's lien waiver(s) will be provided; and
- Contracts that include ongoing payments must offer terms that include forbearance. If an ILSFA customer can show good cause in a request for forbearance, and/or a residential income-eligible customer defaults on payment for an installation contract, financiers and project owners must offer at least one of the following options, as applicable: a) suspension of total payments for up to three months, b) a suspension of interest payments for up to six months, or c) a reduction in interest rates for up to twelve months. Missed revenues may be recovered later in the stage of the contract, but no interest may be applied.

2. Contract Requirements specific to Purchase Transactions

- Total price;
 - Schedule of payments.
- When title transfers to owner;
- Provisions for owner's transfer of RECs to Approved Vendor for 15 years (this provision could be in a separate contract);
- Owner's rights and obligations upon selling the property;

- ***For situations where a low-income residential customer is taking a loan to finance the purchase of a solar project:***
 - Loan may not be secured by home or home equity; and
 - Loan documents must indicate the following:
 - Principal loan amount;
 - Schedule of loan disbursements;
 - Schedule and due dates of repayments;
 - Order of allocating payments (to principal, interest, fees, etc.);
 - Interest rate;
 - Borrower(s), lender, servicer;
 - Nature of lender's security interest (e.g. UCC-1 financing statement);
 - Events of default and lender's remedy(ies) upon default (including forbearance); and
 - All fees and penalties.

3. Contract Requirements specific to PPA Transactions

- Frequency of periodic (e.g. monthly) payments;
- Method of invoicing and payment;
- Pricing terms (including escalation);
- Date of first payment;
- Term of PPA arrangement must be specified. Minimum term is 15 years, except for Energy Sovereignty projects, for which the contract must provide for the transfer of ownership to the customer at seven years or earlier after energization. For Energy Sovereignty projects, the contract must provide for transfer of RECs to the Approved Vendor for 15 years;
- Host must have option to terminate early, with early termination fee or formula specified;
- Events of default;
 - Remedies of both host & installer in case of default.
- System removal cannot be mandatory upon contract expiration; host shall have option to elect removal, purchase, or renewal (except that the removal and renewal options are not required for Energy Sovereignty projects that provide for a transfer of the solar project to the customer at the end of the PPA);
 - No system removal fee is allowed;
 - Purchase terms must be specified upfront; and
 - Renewal terms must be specified upfront.
- Whether PPA host has right to purchase the system before end of PPA arrangement (including economic terms for purchase);

- Disclosure of system owner's right to file UCC-1 statement;
- Allocation of responsibility to maintain insurance on system, and the required insurance terms;
- Allocation of risk of loss in case of damage to system;
- Host's rights and obligations upon selling or moving out of the property;
 - Host shall have a choice to buy out (at contractually specified terms) the PPA arrangement or transfer it to a new resident/occupant; and
 - Procedures for transferring the PPA agreement to the new property owner.

4. Contract Requirements specific to Lease Transactions

- Initial payment;
- Frequency of periodic (e.g. monthly) payments;
- Method of invoicing and payment;
- Pricing over time (including escalations);
- Date of first payment;
- Term of lease must be specified. Minimum term is 15 years, except for Energy Sovereignty projects, for which the contract must provide for the transfer of ownership to the customer at seven years or earlier after energization. For Energy Sovereignty projects, the contract must provide for transfer of RECs to the Approved Vendor for 15 years;
- Lessee must have option to terminate early, with early termination fee or formula specified;
- Events of default;
 - Remedies of both lessee & installer in case of default.
- System removal cannot be mandatory upon contract expiration; lessee shall have option to elect removal, purchase, or renewal (except that the removal and renewal options are not required for Energy Sovereignty projects that provide for a transfer of the solar project to the customer at the end of the lease);
 - No system removal fee is allowed;
 - Purchase terms must be specified upfront; and
 - Renewal terms must be specified upfront.
- Whether lessee has right to purchase the system before end of lease term (including economic terms for purchase);
- Disclosure of lessor's right to file UCC-1 statement;
- Allocation of responsibility to maintain insurance on system, and the required insurance terms;
- Allocation of risk of loss in case of damage to system;
- Lessee's rights and obligations upon selling or moving out of the property;
 - Lessee shall have a choice to buy out (at contractually specified terms) the lease arrangement or transfer it to a new resident/occupant; and

- Procedures for transferring the lease to the new property owner.