



A Small and Emerging Business’s Guide to Participating with Illinois Shines and Illinois Solar for All

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This guide walks small and emerging solar companies through the step-by-step process of becoming an Approved Vendor with Illinois Shines and Illinois Solar for All, the state’s solar incentive programs. It provides businesses with supplemental information to access the solar market.

Small businesses play a crucial role in Illinois for several reasons: they are a platform for entrepreneurship, they provide career opportunities, services, social and community benefits and strengthen local economies. The state’s two solar programs serve markets attractive to small businesses.



How do businesses benefit from participating in Illinois's solar incentive programs?

State solar programs play a crucial role in fostering the success and growth of solar companies, contributing to the creation of market conditions that benefit both companies and customers. Becoming a registered Approved Vendor allows a company to legally market its solar services to a broader customer base that would otherwise be inaccessible. The programs mandate customer protections that lend legitimacy to an Approved Vendor's solar offer and help establish trust with potential clients.

State incentives, exclusively available to registered Approved Vendors, serve as powerful drivers for individuals, businesses, and organizations to invest in solar energy systems. These incentives substantially reduce the costs of a solar installation, rendering solar projects more financially viable and attractive to customers. In Illinois, these state programs offer incentive payments based on the number of Renewable Energy Credits (RECs) produced by eligible solar projects.

Upon the successful completion of an approved solar project, these incentive payments are disbursed to the Approved Vendor. The scale of these payments varies, ranging from a few thousand dollars for small residential projects to \$5 million or more for large community solar projects. Notably, the growth of the solar industry in Illinois directly correlates with the inception and expansion of these two pivotal solar programs.



Begin Your Journey to Becoming an Approved Vendor

1. Stay Informed

a. State Programs

- [Sign up](#) for Illinois Solar for All (ILSFA) program updates and newsletters.
- [Sign up](#) for Illinois Shines program updates.
- The Illinois Power Agency oversees the ILSFA and Illinois Shines programs. [Sign up](#) for announcements and newsletters.

b. Industry Associations

Industry associations may provide important services to small and emerging businesses such as networking opportunities to connect with peers and industry leaders, leading to valuable partnerships, collaborations and business opportunities. Associations advocate for the interests of their members, and provide a voice to influence policy and regulations. Associations provide industry information, market trends and research, and they may also offer training programs to enhance the professional development of members. Below are a few solar industry associations that may be of interest to a solar business.

- The [Solar Energy Industry Association](#) is a national trade association for solar and solar + storage industries.
- The [Coalition for Community Solar Access](#) is a national trade association representing community solar companies, businesses, and nonprofits working to expand customer choice and access to community solar.
- The [Illinois Solar Energy and Storage Association](#) is the state trade association for the Illinois solar and storage industry.



2. Roles for Small and Emerging Businesses in the Illinois Solar Market

The solar industry can seem complex, and there are many pathways a small business may take to get involved. A small business must define its market – what are the goods and services it offers, and to whom? Some service offerings require a specific certification, licensure, or credential.

Participation in both programs is facilitated through Approved Vendors who ensure compliance with program requirements. Approved Vendors (AVs), as the contractual counterparties with the Illinois Power Agency (IPA) or an Illinois electric utility, receive incentive payments for RECs generated by the installed solar projects. The AVs are responsible for solar project documentation, information and reporting to the program, maintaining collateral requirements, and providing ongoing information and reporting.

While a small and emerging business may find it difficult to play the role of an Approved Vendor, a small business may consider instead becoming a Designee which partners with an Aggregator Approved Vendor (AAV). The Aggregator develops relationships with one or more Designees who may play various roles on a solar project: solar system installation, solar service marketing, lead generation, and solar sales, for example. If the role involves direct interaction with end-use customers, it likely is a role for a Designee. The AAV, like the AV, ensures compliance with program requirements, as noted earlier, and is the contractual counterparty to the IPA or an electric utility.

Below are some example roles a small business may play in the solar market:

- a. Solar Installation** – A solar installation company builds the solar system onsite and ensures it complies with design specifications and regulations. Solar projects vary in size and complexity, with larger installations having larger crews and budgets, more permitting requirements, and longer development timelines.
- b. Solar Sales** – A solar sales company meets with a customer, assesses the site, and provides the customer with a project proposal. A sales or lead generation business does not have to install the solar system.
- c. Distribution** – Solar projects involve many different components that are procured, usually from a distribution company. An electrical supplier, for example, may add solar equipment to its product offerings by sourcing solar system components from manufacturers.
- d. Design** – Solar system designers are specialists who use software to select and layout the components of a solar system. They may be engineers themselves or consult with engineers to ensure the proposed solar system meets local and state codes.



e. **Engineering** – A structural engineer conducts analysis of structural support systems for solar projects. Engineering firms may provide support on a per project basis.

f. **Project Finance** – Solar projects require significant investments and often the customer does not have capital available to pay for the project outright. Project finance firms specialize in lending for solar projects. They perform due diligence on the project to ensure it is financially viable.

g. **REC Aggregation** – Renewable Energy Credits (RECs) are incentives that stimulate solar markets. REC Aggregators buy and sell RECs through contracts. RECs sales are essential to ILSFA and Illinois Shines project viability.

h. **Project Development** – Project developers assemble teams to plan and execute solar projects. Teams include many disciplines and expertise – engineering, surveying, permitting, legal, procurement, etc. They tend to focus on large and complex projects.

i. **Sub-contracting** – A sub-contractor may work on a specific and limited scope of work for a project. An electrician may complete the electrical connections on a project, an engineer may assist with site analysis and provide stamped drawings, and a construction company may install the support structures and solar panels for a project. Larger projects may have one or more sub-contractors working for a prime contractor responsible for overall project construction.

j. **General Contractor** – General contractors can parlay their relationships and expertise in building systems and trades – electrical, roofing, and construction – to add solar systems to their offerings.

k. **Other** – IT professionals, project managers, code officials, lawyers, surveyors, procurement specialists, marketing specialists, and many other disciplines may work on solar projects.





3. Obtain Certification

In order to install renewable energy on a building other than your own, Illinois requires certification. The steps to certification are detailed below.

A [Distributed Generation Installer](#) is in the business of installing equipment that can generate or store electricity - such as a photovoltaic system or battery storage system. A distributed generation facility typically includes an electric generator, a prime mover, and the interconnection equipment required to safely interconnect with the local utility's electric power system. The Distributed Generation Installer certification is a requirement to install a solar system on a building other than your own. If your company is involved with solar system installation this is a "must-have" certification.

a. Legal Requirement

With the exception of self-installers¹, all entities that install distributed generation facilities shall be certified by the Illinois Commerce Commission under the [Distributed Generation Installer Certification Rule \(Part 468\)](#) prior to installing any distributed generation facilities in the State of Illinois

Businesses that do not hold the DG Installer Certification may work with a firm that is DG certified to partner on projects. A list of Certified Distributed Generation Installers is available [here](#).

b. Certification Requirements

The Illinois Commerce Commission's [DG Installer Certification Application](#) form is a five-page application that must be notarized and requires a \$50 application fee. Applicants must certify that only a "qualified person" will perform or directly supervise DG installations. A qualified person performs installations on behalf of the DG Installer Certificate holder and meets one of the following requirements:

- i. Completed at least five satisfactory installations in the appropriate DG technology. If the application is for solar, the completed installations must be in solar.

¹ "Self-installer" means an individual who leases or purchases a cogeneration facility for his or her own personal use and installs such cogeneration or self-generation facility on his or her own premises without the assistance of any other person. [220 ILCS 5/16-128A(a)]



- ii. Satisfactory completion of one of the following programs in the appropriate DG technology.
- Apprenticeship as a journeyman electrician from a Department of Labor registered electrical apprenticeship and training program.
 - A North American Board of Certified Energy Practitioners (NABCEP) distributed generation technology certification program.
 - An Underwriters Laboratories distributed generation technology certification program.
 - An Electronics Technicians Association distributed generation technology certification program.
 - An Associate in Applied Science degree from an Illinois Community College Board approved community college program.



A properly completed application typically takes between five and nine weeks for approval.

Businesses that design, sell and install solar systems should consider obtaining applicable [NABCEP Board certifications](#). These certifications may satisfy the DG Installer certification requirements and also signal professionalism to customers. The PV Installation Professional (PVIP) encompasses PV design, installation, operations, commissioning and maintenance. The PV Installer Specialist (PVIS) is for individuals who are highly competent with all aspects of solar installation processes. Firms that sell solar systems to customers may pursue the PV Technical Sales (PVTS).



4. Programs & Policy

Small and emerging businesses may participate in one or both Illinois solar programs. Before doing so, however, the business should review the program requirements in detail to make sure it can meet them. The business should also become familiar with the legislation that supports the solar markets as well as the overall market conditions. Having a solid understanding of programs, policy and the market environment are key to success. It never hurts to stay informed on policy updates, and there are opportunities for you as a business owner to offer feedback on proposed legislation and policy changes; it's a way to advocate for your business.

Policy

The Future Energy Jobs Act (FEJA) passed in 2016 which led to the creation of the Illinois Shines and Illinois Solar for All programs. The Climate and Equitable Jobs Act ([CEJA](#)) passed in 2021 and expanded solar and energy efficiency program offerings and incentive budgets. It also provides funding for clean energy job training and community solar programs to increase access to solar energy.

To learn more visit:

- 1) [Illinois Clean Jobs Coalition](#)
- 2) [Citizens Utility Board](#)
- 3) [Climate and Equitable Jobs Act](#)
- 4) [CEJA Program Status](#) (Illinois Department of Commerce and Economic Opportunity)

Solar Programs

Illinois Shines and Illinois Solar for All are the two solar programs that drive the Illinois solar market. Both programs reduce costs for solar installations through incentives, develop a diverse and inclusive workforce, offer consumer protections, vet and approve Approved Vendors, and support community solar projects, enabling residents and businesses to access the benefits of solar energy even if they cannot install solar panels on their properties.



Both programs utilize Renewable Energy Credits as the revenue for incentives ². The programs, both overseen by the [Illinois Power Agency](#), fulfill the requirements of the Climate and Equitable Jobs Act and support the development of photovoltaic projects in the State; some Approved Vendors participate in both programs. However, the programs are different in several noteworthy ways, including

- ILSFA’s household customers must meet income-eligibility requirements, while Illinois Shines customers are not subject to income-level verification.
 - REC prices vary within and between both programs with project size and utility location being key variables. ILSFA REC prices are higher than in Illinois Shines to account for lower income levels and higher costs of serving ILSFA participants. For complete REC pricing information see: [Illinois Shines Resources](#) and [ILSFA REC Pricing](#). Illinois Shines REC incentives are offered in an annually published schedule of new prices and capacities.
 - Illinois Solar for All sub-program budgets are updated annually and made available through specific program submittal windows, opened at specific dates. Project submittal windows will move into a “rolling submission” period if the total annual budgets are not initially apportioned to eligible ILSFA projects. Each program website has a project dashboard to provide current detail on approved projects.
 - See [Illinois Shines](#) and [Illinois Solar for All](#).
- a. [Illinois Solar for All \(ILSFA\)](#) is a state administered program designed for [income-eligible homeowners, renters, non-profit organizations and public facilities](#). Income-eligible participants pay no upfront costs for a solar installation or subscription.
- [Customer Eligibility](#) - Homeowners may be eligible for ILSFA if household income is 80% or less of the Area Median Income. Non-profit and public facilities are also eligible but have different criteria. The program pays incentives to approved solar companies to help expand the benefits of solar energy to more families, organizations, and communities.
- [Consumer Protection](#) - Approved solar companies are required to work within prescribed guidelines that govern their interaction with the marketplace and program participants. These requirements ensure consumers are protected against unsafe and unfair business practices and are designed to minimize risk to participants. Consumer protection guidelines require that the information shared with participants is clear and accurate to ensure a transparent and positive experience for participants.
- [Environmental Justice Communities \(EJC\)](#) - are areas that stand to benefit the most from access to solar energy based on the principle that all people should be protected from pollution and that all populations have a right to a clean and healthy environment. At least 25% of the funding within each sub-program will be allocated to projects located in ILSFA Environmental Justice Communities (EJC). If project selection is not required, these funds are available only for projects located within EJCs for the entire program year as submitted on a first-come, first-served basis.
- [Grassroots Education campaigns](#) conduct outreach across Illinois and focus on income-eligible and environmental justice communities. Community-based organizations educate income-eligible residents on solar energy basics and the ILSFA program’s benefits and eligibility requirements.



² A Renewable Energy Credit (“REC”) is a tradeable, environmental asset that represents the clean attributes of solar electricity. (1 REC = 1,000 kWh). States and the federal government use RECs to track and monetize environmental benefits. Owners of eligible renewable energy projects receive compensation for projects when they sell RECs in 15-year or 20-year contracts. REC prices for IL Shines and ILSFA are developed through a model based on the National Renewable Energy Laboratory’s Cost of Renewable Energy Spreadsheet Tool (“CREST”). Watch this [helpful video](#) on RECs from the Center for Resources Solutions for further explanation.



The Illinois Solar for All [Approved Vendor Manual](#) and the Illinois Shines [Program Guidebook](#) provide detailed guidance for existing and prospective Approved Vendors on the intent, requirements, and processes of each program and as such are essential reading for Approved Vendors. These documents include an overview of the program scope, goals, and detailed descriptions of processes from vendor registration through project approval and facilitation of Renewable Energy Credit (REC) contracts. They are updated periodically.

b. Illinois Shines promotes solar energy through two main project types: [Distributed Generation](#), where solar panels are installed directly on homes, schools, businesses, and various customer sites, and [Community Solar](#), offering solar bill credits to subscribers who may not have the means to install solar panels themselves. An overview of the different categories follows:

- [Small Distributed Generation \(DG\)](#): Designed for projects up to 25 kW in size, these systems are ideal for residences, small businesses, or structures with a more modest energy load.
- [Large Distributed Generation \(DG\)](#): Geared towards distributed generation projects exceeding 25 kW but not exceeding 5 MW in size, this category accommodates larger businesses, schools, factories, and buildings with substantial energy demands.
- [Traditional Community Solar \(TCS\)](#): Encompassing community solar projects up to 5 MW, this category enables communities to collectively access solar energy, benefiting households and businesses alike.
- [Community-Driven Community Solar \(CDCS\)](#): These community solar projects, also up to 5 MW in size, are specifically designed to foster connection with the communities they serve. They can involve community ownership, wealth-building initiatives, and active participation from community members, nonprofits, or public entities.
- [Public Schools](#): Illinois Shines extends its support to any solar project, whether Small or Large Distributed Generation or community solar, that serves a public school within the state.
- [Equity Eligible Contractor \(EEC\)](#): This category is tailored for Distributed Generation and Community Solar projects submitted by EEC Approved Vendors, who are certified by the Program. EECs have a unique role in ensuring equitable access to the Program by setting aside capacity for their projects, fostering more inclusive participation.





5. Program Registration

- a. [Become an Approved Vendor or Designee Company](#) for Illinois Shines. Interested entities must submit an application form, which must be approved before any solar project applications can be submitted to Illinois Shines.
- i. [Equity Eligible Contractor & Person](#) - An Equity Eligible Contractor (EEC) is a business that is majority-owned by eligible persons, or a nonprofit or cooperative that is majority governed by eligible persons or is a natural person that is an eligible person offering personal services as an independent contractor. EECs are eligible for several benefits within the Illinois Shines program. For example, certified Approved Vendors are eligible to submit projects to the EEC block within Illinois Shines, which also enables them to apply for advancement of pre-development capital. Approved Vendors must first apply to become EEC certified. They may do so in their Approved Vendor application or at any time after submitting their initial Approved Vendor application. Also, CEJA requires companies participating in Illinois Shines to employ Equity Eligible Persons (EEP). Someone qualifies as an EEP by being one of the following:
 - a graduate or current or former participant in the Clean Jobs Workforce Network Program, Clean Energy Contractor Incubator Program, Illinois Climate Works Preapprenticeship Program, Returning Residents Clean Jobs Training Program, or the Clean Energy Primes Contractor Accelerator Program, and the solar training pipeline and multicultural jobs program created by FEJA
 - a person who was or is currently enrolled in the foster care system
 - a person whose primary residence is in an [equity eligible investment community](#)
 - a person who was formerly incarcerated
- ii. [Minimum Equity Standard](#) (MES) helps ensure that the growing clean energy economy is accessible to everyone. Beginning in Program Year 2023-24, at least 10% of the project workforce for each entity participating in Illinois Shines must be composed of Equity Eligible Persons. All Approved Vendors and Designees, except AVs who are Equity Eligible Contractors, are required to submit an MES Compliance Plan to show how the company will meet the MES workforce percentages. The [Energy Workforce Equity Portal](#) is available help facilitate connections between job seekers and clean energy project developers. Equity Eligible Persons can post their availability to entities seeking to hire Equity Eligible Persons, and clean energy project developers can post clean energy jobs and to search for Equity Eligible Persons.



b. [Become an Approved Vendor](#) for the Illinois Solar for All Program

i. A solar business that wishes to become an Approved Vendor must first register with Illinois Shines, before registering with Illinois Solar for All. The ILSFA Approved Vendor registration application asks applicants to show that they understand and commit to the spirit, goals and requirements of the program. An Approved Vendor Manager can help applicants through the registration process.

ii. [MWBE certification](#)

The criteria for certification is as follows:

1. Minority-Owned Business Enterprise - must be at least 51% minority-owned, managed and controlled by one or more individuals who are U.S. Citizens, or lawful permanent residents of the United States and is/are African-American, Asian American, or Native American, as well other groups found to be disadvantaged

pursuant to Section 8 (a) of the Small Business Act federal statute. Women-Owned Business Enterprise (WBE) - A business that is at least 51 percent owned by a woman or women who are U.S. Citizens or lawful permanent residents of the United States. See the [State of Illinois Business Enterprise Program \(BEP\)](#), which offers certification opportunities.





6. Key Program Requirements

- a. **Job Training:** the ILSFA job training requirement supports the goal of building a strong solar workforce while also connecting talented individuals from disadvantaged communities to career pathways. In addition to the Vendor Manager, the Workforce Program Manager is available to help Approved Vendors meet job training requirements. Section 15 of the [Approved Vendor Manual](#) details that Approved Vendors are required to hire eligible trainees from Qualified job training programs and Other Qualifying Programs across their portfolio of projects annually. To meet this requirement, eligible trainees will perform work on ILSFA projects at (1) a prescribed minimum percentage of total hours worked across an Approved Vendor’s projects annually; in program year one, 10% of all hours must be performed by eligible trainees; in year two, 20% of all hours and in year three and beyond, 33% of all hours must be performed by eligible trainees; and (2) at least 33% of all of the Approved Vendor’s installations annually in each ILSFA sub-program must include at least one eligible trainee. Eligible Trainees must come from a FEJA or CEJA funded program or an Other Qualifying Program. A list of these programs can be found on ILSFA’s [Job Training Directory](#). Please note that the terms “Eligible Trainee” under ILSFA and “Equity Eligible Contractor and Person” under Illinois Shines have some overlap with requirements, but they are not synonymous.
- b. Prevailing Wage law (Public Act 103-0188), now requires that individuals engaged in the construction, maintenance, and repair of applicable projects submitted to both the Illinois Shines and the Illinois Solar for All Programs are paid at least the relevant prevailing wage rate. All projects submitted to Illinois Shines and ILSFA that receive a REC contract are subject to the requirements of the Prevailing Wage Act, with the exception of: Residential Distributed Generation projects, and Distributed Generation projects that serve houses of worship and do not exceed 100 kW AC. Waitlisted (as of December 14, 2021) non-residential Large DG projects in Illinois Shines are not subject to prevailing wage.



7. Need to Talk to a Program Team Member?

Illinois Solar for All:

Small and emerging businesses can contact the Program Administrator for assistance:

Tonya Johnson, Senior Associate, ILSFA

312-809-8898

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