



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

PUBLISHED APRIL 17, 2026
COMPLIANCE REQUIRED BY JUNE 1, 2026¹

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.

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.

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.

Commented [A1]: Deletion of language stating that ILSFA does not necessarily require submission of contract

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.



A. Contract Requirements that Apply to Purchases, Leases, and PPAs

1. **Language:** The contract must be in a language in which the customer is able to understand and communicate.
2. **Right of Rescission and Cancellation:** The contract must provide a right of rescission within fourteen business days after contract execution (only for Residential Solar sub-programs; not for Non-Profit and Public Facilities). If the site suitability report indicates that the project is not viable, the contract must contain a no-cost cancellation provision.
3. **Project Specifications:** The contract must include the following specifications:
 - The size of the solar project;
 - The type of panels;
 - The estimated first year production; and
 - The estimated annual degradation.

The contract must also include or incorporate by reference a site plan or equivalent drawing. If incorporated by reference, the contract must state that the site plan or equivalent drawing will be provided to the customer within 30 days of the contract execution, and the plan or drawing must be substantially consistent with the specifications in the contract and Disclosure Form.

4. **Upfront Costs:** Residential Solar (Small) customers cannot be required to provide an upfront payment prior to energization of the solar project.
5. **Fees:** The contract must provide any and all possible fees (in addition to those mentioned in B and C, below). The contract must provide a grace period of at least seven calendar days before any late payment fees apply. There may not be any prepayment penalty for Residential Solar projects. Prepayment penalties are permitted for Non-Profit and Public Facilities projects.
6. **Savings Requirements:** The contract must meet savings requirements as detailed in Chapter 5 of the Approved Vendor Manual. Costs and fees associated with the solar project can be itemized or combined, as long as the total costs and fees meet savings requirements as detailed in the ILSFA Approved Vendor Manual. For example, costs related to the Warranty or Guarantee required under item 8, below, may be incorporated into a monthly lease payment, or may be described separately, as long as the total costs do not exceed the applicable requirements.
7. **Non-Selection for ILSFA:** The contract must state whether there is a change in pricing or other terms if the solar project is not selected for an ILSFA REC contract. For example, a contract could state that it only has effect if the solar project is selected for an ILSFA REC contract. If there is no change in contract terms if the solar project is not selected for an ILSFA REC contract, the contract must affirmatively state this.
8. **Warranty or Guarantee:** The contract must provide a warranty, guarantee, or similar agreement, 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 the remedy for the customer in the case of underperformance or other issue and how to file a claim; and
 - Identifies what entity is responsible for the performance of the warranty, guarantee, or agreement.

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Commented [A3]: New requirement that the contract must actually state that incorporated plan will be provided within 30 days

Commented [A4]: Removal of requirement that contract meets the ability to repay standard set out in Regulation Z

Commented [A5]: New explanation to clarify that it is the overall cost to the customer that matters, rather than how costs and fees are described or itemized

Commented [A6]: New requirement to affirmatively state if there is no change in contract terms in the case of non-selection for ILSFA



9. **Responsible Parties:** The contract must state which specific Approved Vendor or Designee is responsible for the following items. The customer may be permitted to be involved or take responsibility at their request.
 - Securing municipal permits and approvals;
 - Completing and submitting the interconnection application; and
 - Entering meter data in the relevant REC tracking system (this provision could be in a separate contract).
10. **Liability During Construction:** The contract must state which specific Approved Vendor or Designee is responsible for harm to property, materials, and workers during construction.
11. **Subcontractors:** The contract must require the Approved Vendor and/or Designee to provide the name of any subcontractor to the customer before work by that subcontractor begins.
12. **Change Orders:** The contract must require that any change order, including changes to scope or price, be confirmed in writing and signed by the parties.
13. **Inspections:** The contract must provide that the customer will not be responsible for any costs related to curing problems found in project inspections conducted by the Illinois Power Agency or its designees.
14. **Mechanic's Lien:** The contract must state when a mechanic's lien waiver(s) will be provided.
15. **Disputes:** The contract must provide dispute resolution procedures, including governing law.
16. **Forbearance:** 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 or associated loan, financiers and third-party project owners must offer at least one of the following options, as applicable:
 - Suspension of total payments for up to three months (applicable for loans, leases, and PPAs);
 - Suspension of interest payments for up to six months (applicable for loans); or
 - Reduction in interest rates for up to 12 months (applicable for loans).

Missed revenues may be recovered later, but no interest may be applied to the missed revenues.

B. Contract Requirements for Purchase Transactions

1. **Pricing and Payments:** The contract must provide the total price and schedule of payments.
2. **Ownership Transfer:** The contract must state when ownership of the solar project transfers to the customer.
3. **Transfer of RECs:** The contract must include provisions for the transfer of RECs to the Approved Vendor for 15 years (this provision could be in a separate contract).
4. **Sale of Property:** The contract must state the customer's rights and obligations upon selling the property. For example, if the new property owner must sign a contract with the Approved Vendor, this must be disclosed.
5. **Loans:** For situations where an income-eligible residential customer is taking a loan to finance the purchase of a solar project, the following requirements apply:
 - The loan may not be secured by home or home equity; and
 - The loan documents must state 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;

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Commented [A8]: Update to specify that an AV or D is responsible for each of these

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- The name of the borrower(s), lender, and servicer;
- Nature of lender’s security interest (e.g., UCC-1 financing statement);
- Events of default and lender’s remedies upon default (including forbearance); and
- All fees and penalties.

C. Contract Requirements for Lease and PPA Transactions

1. **Pricing and Payments:** The contract must provide the following information:
 - Frequency of periodic payments (e.g., monthly);
 - Method of invoicing and payment;
 - Pricing terms (including escalation); and
 - Date or timing of first payment.
2. **Term of Contract:** The term of the lease or PPA must be specified and must be at least 15 years.
 - Energy Sovereignty projects: The contract must provide for the transfer of ownership to the customer at seven years or earlier after energization. The contract must provide for transfer of RECs to the Approved Vendor for the first 15 years.
3. **Option to Terminate:** The customer must have the option to terminate the lease or PPA and terminate the project’s participation in ILSFA prior to the end of the contract term, with any early termination fee or formula specified. The contract must state, in the event of contract termination, who has ownership of the project and whether removal of the solar project is required, not provided, or provided at the customer’s request. In the case of removal, the contract must explain who has responsibility for any necessary roof repairs, and any removal fee must be disclosed.
4. **Default:** The contract must state what constitutes a default on the contract and specify the remedies of both the customer and Approved Vendor or Designee in case of default.
5. **Options at End of Contract:** System removal cannot be mandatory at the end of the lease or PPA. The customer shall have the option to elect removal, purchase, or renewal of the lease or PPA. The following requirements apply:
 - No system removal fee is allowed;
 - Purchase terms must be specified in the contract (price may be a set dollar value or be based on a formula or on an appraisal); and
 - Renewal terms must be specified in the contract.
 - Energy Sovereignty projects: Removal and renewal options are not required for Energy Sovereignty projects that provide for a transfer of ownership of the solar project to the customer at the end of the lease or PPA. The purchase price must be provided as a set dollar value and, if applicable, the contract should address any funds held in escrow to pay for the transfer. The contract must also address any transfer of warranties to the customer.
6. **Right to Purchase:** The contract must state whether the customer has the right to purchase the system before the end of the lease or PPA. If the contract permits the customer to purchase the system, it must include purchase terms, including price. The price may be a set dollar value or be based on a formula or on an appraisal. (Note that the option to purchase the system *must* be available if the customer sells the host property—see item 7 below.) For any option allowing the customer to purchase the system during the first 15 years, the contract must provide for the transfer of RECs to the Approved Vendor for the remainder of the first 15 years.
7. **Sale of Property:** The contract must provide the customer’s rights and obligations upon selling the property. Regardless of whether the customer is provided an option to purchase the system under item six, above, (or at what point during the lease/PPA they are provided that option), the customer must have an option to purchase the system at any time during the lease or PPA if they sell the property on which

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the project is located. The contract shall provide the purchase terms, including price, as described in item six, above.

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The customer must also have the option to transfer the lease or PPA to the new property owner, and the contract shall provide the relevant procedures for transferring the lease or PPA to the new property owner. Both options (purchase and transfer of lease/PPA) shall provide for the continued transfer of RECs to the Approved Vendor for the remainder of the first 15 years.

8. **UCC-1 Statement:** The contract must disclose the Approved Vendor or Designee’s right to file a UCC-1 statement.
9. **Insurance:** The contract must explain who is responsible for maintaining insurance on the system, and the required insurance terms. The contract must also state who is responsible if there is damage to the system.