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Illinois Solar for All

Energy Sovereignty
Participation

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Executive Summary

As part of the ongoing evaluation of the Illinois Solar for All (ILSFA) program, Verdant Associates prepared this report on the design and implementation of the Energy Sovereignty pathway. The Energy Sovereignty pathway allows eligible low-income households, community organizations, and community solar subscribers to move toward majority or full ownership of the photovoltaic facilities serving them, rather than remaining indefinitely under a lease or power purchase agreement (PPA) held by an Approved Vendor (AV) or third-party owner. Energy Sovereignty was introduced into ILSFA at the start of Program Year 2022-2023 (PY22-23), and the Illinois Power Agency (IPA) reserves 25% of program funds in each subprogram for projects that promote energy sovereignty.

This report examines two questions: (1) what is the value proposition of Energy Sovereignty to AVs and customers, and what risks does it pose to each of these parties; and (2) what is driving the rapid recent growth in Energy Sovereignty participation. To answer these questions, the evaluation team reviewed ILSFA program materials (including the 2026 Modified Long-Term Plan, the ILSFA Approved Vendor Manual, REC contract terms, and ILSFA program tracking data) and conducted in-depth interviews with IPA and Elevate (the ILSFA program administrator) staff and with four AVs that have submitted Energy Sovereignty projects.

Energy Sovereignty participation has grown substantially since the pathway's introduction. According to program data, Energy Sovereignty projects accounted for only about 2% of Residential Solar (Small and Large) projects and 20–25% of Community Solar projects in PY22-23 and PY23-24. In PY24-25, participation rose sharply to 89% of Residential Solar (Small) projects, 100% of Residential Solar (Large) projects, and 83% of Non-Profit/Public Facilities (NP/PF) projects, while Community Solar Energy Sovereignty participation fell to 0%. Energy Sovereignty participation is incentivized by a renewable energy credit (REC) payment adder that is available to distributed generation (DG) projects (Residential Solar (Small), Residential Solar (Large), and NP/PF). Community Solar projects do not receive a REC adder for pursuing Energy Sovereignty. However, Community Solar, Residential Solar (Large), and NP/PF Energy Sovereignty projects receive priority in project selection. As of PY26-27, Residential Solar (Small) projects no longer receive priority for pursuing Energy Sovereignty.

AVs and Elevate staff broadly agree that Energy Sovereignty has not meaningfully changed the operational risk profile of ILSFA projects for either customers or vendors, since AVs remain contractually responsible for 15 years of operations and maintenance (O&M) regardless of who owns the system. However, several specific challenges have emerged. AVs report a steep and not always well-supported learning curve when first navigating Energy Sovereignty documentation and REC adder calculations. Most significantly, both AVs and Elevate staff identified the requirement that AVs lock in a single “proposed transfer date” at Part I approval (before construction and interconnection timelines are known) as confusing and administratively burdensome, with consequences ranging from REC adder claw-backs¹ to confusion among AV staff about which of several dates (proposed, final, grace-period deadline) actually governs a given project. Materials describing the Energy Sovereignty REC adder (such as the Approved Vendor Manual) are sometimes

¹ A claw-back is the recovery of incentive dollars already paid to the AV. If project ownership transfers later than the proposed transfer date, the program administrator claws back a prorated share of the REC adder based on the number of days of delay. If the transfer does not occur within two years of the proposed date, the system is removed from its REC contract, and the AV must repay the entire REC amount (both the ILSFA base REC incentive and the Energy Sovereignty REC adder).

misleading, labeling it as a “\$10 REC Adder,” when in practice it is a prorated portion of a \$10/REC adder based on the proportion of the 15-year service period that the customer owns the system.

Below we summarize the key findings and recommendations stemming from this research with more details provided in the Conclusions and Recommendations section.

Key Finding: The requirement that AVs commit to a single proposed transfer date at Part I approval (before construction and interconnection timelines are known) is a source of confusion and administrative burden in the Energy Sovereignty pathway, for both AVs and program administrator staff, and poses a financial risk to AVs.

Recommendation: Allow the proposed transfer date to be revised at Part II approval.

Key Finding: AVs reported a steep learning curve and limited support when first navigating Energy Sovereignty documentation, REC adder calculations, and contract structuring, often relying on informal guidance from a single, part-time program administrator staff contact.

Recommendation: Develop comprehensive, self-service Energy Sovereignty training and reference materials for AVs.

Key Finding: AVs reported confusion and frustration stemming from how the Energy Sovereignty REC adder is described and communicated. Although the adder is commonly referred to as a “\$10 REC Adder” throughout documentation, including the Approved Vendor Manual and the Long-Term Plan, the actual payment is prorated based on transfer timing. Most projects do not receive the full \$10/REC Adder amount. AVs reported that this was not made clear upfront, and in at least one documented case an AV received a REC adder payment substantially lower than expected.

Recommendation: Ensure REC adder calculation methodology is communicated consistently and in advance. The IPA and program administrator staff should revise how the Energy Sovereignty REC adder is communicated to AVs, replacing the shorthand “\$10 REC adder” framing with a clear explanation of how the payment is calculated and how transfer timing affects the actual amount received.

Recommendation: Before Part I submission, AVs should be told an estimated dollar amount their project would receive for a given proposed transfer date and assumed energization date, so that the adder proration is transparent from the outset.

Key Finding: The Energy Sovereignty REC adder plays little role in the financial viability of Residential Solar (Small) projects, where base REC payments largely cover project costs on their own, but plays a small yet meaningful role for NP/PF projects. The REC adder could become more important to project economics as the federal ITC is phased out, especially for the NP/PF and Residential Solar (Large) projects that currently rely more on the ITC to make the project financially viable.

Recommendation: As part of the planned PY27-28 REC adder re-evaluation, assess whether REC adder funding is achieving its intended purpose relative to its cost, including consideration of alternative uses of those funds. The IPA’s planned stakeholder process to re-evaluate the Energy Sovereignty REC adder should explicitly weigh AV feedback that for some subprograms, such as Residential Solar (Small), REC adder costs may exceed what is needed to motivate Energy Sovereignty participation and should consider whether redirecting a portion of that funding toward expanding overall project volume would better serve program goals. At the same time, it may be worthwhile to reinstate project prioritization for Residential Solar (Small) projects, to continue promoting Energy Sovereignty participation if the Energy Sovereignty REC Adder were to be eliminated for this subprogram.

Energy Sovereignty Background

The Illinois Solar for All (ILSFA) program was created in 2017 to provide incentives for solar projects that benefit low-income residents in Illinois. The program is composed of four subprograms: Residential Solar (Small), Residential Solar (Large), Non-Profit/Public Facilities (NP/PF), and Community Solar. The Illinois Power Agency (IPA) is responsible for overall program implementation, and the IPA contracts with a program administrator, Elevate, to manage day-to-day operations across all subprograms. ILSFA delivers solar incentives through the purchase of renewable energy credits (RECs).² Solar projects participating in ILSFA are developed and managed by Approved Vendors (AVs), solar developers or aggregators that have been vetted and registered by the IPA to participate in the program. Incentive payments are made through REC purchase contracts between AVs and either the IPA or the Utility. In exchange for all RECs generated over a system's first 15 years of operation, AVs receive a set payment upfront upon energization (i.e., once the project is interconnected and verified as energized). REC amounts are determined based on the system's installed kW nameplate capacity and modeled generation or assumed capacity factors.

Energy Sovereignty (ES) builds on the broader goals of the Climate and Equitable Jobs Act (CEJA), which directed the IPA to design ILSFA in a way that brings the benefits of photovoltaic generation to low-income households and creates a "long-term, low-income solar marketplace" in Illinois, including pathways toward community and household ownership of solar assets rather than perpetual reliance on third-party-owned systems.³ At the start of Program Year 2022-2023 (PY22-23), the Energy Sovereignty pathway was formally introduced into ILSFA.⁴ Energy sovereignty is defined by the IPA as an "Eligible low-income household or community organization having or being on a defined path to majority or full ownership of the photovoltaic generating facility or, in the case of a cooperative or community ownership model, a share or membership in the entity that owns the photovoltaic generating facility."⁵ To promote ownership and local community wealth building, the program reserves 25% of program funds in each subprogram for projects that promote Energy Sovereignty.

Distributed generation (DG) Energy Sovereignty projects can be structured as a direct purchase, or as a lease or power purchase agreement (PPA) with a planned transfer of ownership to the customer seven years or earlier after energization. Projects within the Community Solar subprogram can qualify for Energy Sovereignty through an ownership or a cooperative model. The ownership model includes a purchase agreement, or a lease or PPA with an ownership transfer seven years or earlier after energization to give the participant ownership of the system (which may correspond to their subscription to the community solar project). The cooperative model allows a co-op organization to sell subscriptions to participant-owners of the co-op, with the participant-owner receiving a low-cost subscription and an ownership share. The shares entitle participant-owners to receive dividends and to subscribe to electricity from the project at a discounted rate, sufficient to meet bill savings requirements. The cooperative model is exempt from the requirement of no upfront costs and may charge a nominal fee to participant-owners. Projects under the

² A single REC represents the environmental benefit of 1 MWh of electricity generated by a renewable energy generator.

³ 2026 Modified Long-Term Renewable Resources Procurement Plan, Section 2.8 and Section 8.2.4

⁴ According to the 2026 Modified Long-Term Plan, Section 1-56(b)(2)(A)(i) of the IPA Act (20 ILCS 3855) requires the Agency to reserve "a portion" of Illinois Solar for All funding "for projects that promote energy sovereignty through ownership of projects by low-income households, not-for-profit organizations providing services to low-income households, affordable housing owners, community cooperatives, or community-based limited liability companies providing services to low-income households."

⁵ 2026 Modified Long-Term Renewable Resources Procurement Plan, Section 8.2.4

cooperative model must show that at least 50% of the energy produced is proposed to be subscribed to by participant-owners.

To encourage Energy Sovereignty participation, DG projects (meaning Residential Solar (Small and Large) and NP/PF projects) receive a REC adder amount, nominally referred to as the “\$10 REC adder”. Projects in the Community Solar subprogram do not receive a REC adder for Energy Sovereignty participation (however, they do receive priority points in the ILSFA project selection process). DG Projects are eligible to receive up to \$10/REC adder, but the actual amount received depends on the date of ownership transfer. The REC adder is calculated based on the proportion of years during the 15-year REC contract delivery term in which the participant is the majority owner of the system. For example, if ownership is proposed to transfer to the participant at end of year five, the REC adder amount will equal two-thirds of the full \$10/REC adder amount (or \$6.67/REC).

The AV commits to a proposed transfer date at the time of Part I project approval.⁶ The AV must notify the REC Buyer (IPA or the Utility) and the program administrator of the transfer of ownership within 30 days of the transfer. The notification is required for all types of ownership, including no-cost purchase agreements. AVs have a two-year grace period following the proposed transfer date within which to execute the transfer and communicate it to the program administrator. However, the program administrator will claw back a prorated share of the REC adder incentive based on the number of days after the proposed transfer date that the actual transfer occurred. If the transfer of ownership does not take place within two years of the proposed transfer date, the system is removed from its REC contract, and the AV must pay back the entire REC amount (ILSFA base REC incentive and Energy Sovereignty REC adder) to the REC Buyer. As discussed in this report, this transfer-date mechanism has proven to be one of the more administratively complex elements of the Energy Sovereignty pathway for both AVs and the program administrator to manage.

Energy Sovereignty projects are prioritized within the project selection process for the Community Solar, NP/PF, and Residential Solar (Large) subprograms. Per the 2026 Long-Term Plan, Residential Solar (Small) projects no longer receive prioritization for Energy Sovereignty in project selection, due to increases in Energy Sovereignty projects within this subprogram.

Research Approach

Research Questions

This evaluation was guided by two overarching sets of research questions, summarized in Table 1 below along with the associated research activities.

⁶ ILSFA applications include a Part I and a Part II; Part I is completed during project planning and covers planned technical details such as size, estimated REC production, equipment, and installer information. Part II is completed after the project has been installed and energized.

Table 1. Research Questions and Activities

Research Question	Research Activity
What is the value proposition of Energy Sovereignty? How does this differ for Community Solar Projects?	- Program materials review 1 Interview with IPA program manager
What are the benefits and risks of Energy Sovereignty? - What benefits and risks do vendors perceive? What benefits and risks do customers perceive? - How do consumer protections mitigate risks? Are they sufficient?	1 Interview with Elevate staff 4 Case studies
What is driving the increased number of Energy Sovereignty projects in PY24-25? How are previously identified barriers (e.g., maintenance & management responsibilities) addressed, if at all?	- Program materials review - Tracking data review 1 Interview with IPA program manager 1 Interview with Elevate staff 4 Interviews with AVs of Energy Sovereignty projects in PY24-25

Methods

The evaluation team conducted in-depth interviews with IPA program staff, Elevate staff, and four AVs with Energy Sovereignty projects. In addition to AV and program staff interviews, the evaluation team reviewed relevant materials and Energy Sovereignty documentation from ILSFA and IPA. For details regarding the methods underlying this analysis, please refer to Appendix A. Methodologies.

Detailed Findings

Energy Sovereignty Participation

Participation over Time

Energy Sovereignty participation has grown rapidly since the pathway's introduction in PY22-23. Energy Sovereignty projects represented only about 2% of Residential Solar (Small and Large) projects in PY22-23 and PY23-24, while NP/PF Energy Sovereignty participation was already substantial at 58% and 62% of approved projects in those same two years, respectively, and Community Solar Energy Sovereignty participation stood at 20% and 25%. By PY24-25, participation shifted dramatically: 89% of Residential Solar (Small and Large) projects and 83% of NP/PF projects approved that year were Energy Sovereignty projects, while Community Solar Energy Sovereignty participation fell to 0%.

Table 2 reports the number of Energy Sovereignty projects submitted in each subprogram from PY22-23 through PY24-25 alongside the count of currently active projects, according to the ILSFA project dashboard as of May 13, 2026.⁷ Currently active projects include those that are completed or still remain in the pipeline.⁸ Residential Solar (Small) Energy Sovereignty submissions rose from five projects in PY22-23 to

⁷ <https://www.illinoissfa.com/vendors/project-dashboard/>

⁸ Projects listed as "Dropped – Ineligible/Withdrawn" in the project dashboard are excluded from the currently active project count

36 projects in PY23-24 before increasing to 565 projects in PY24-25, accounting for the large majority of the 695 Energy Sovereignty projects submitted program-wide across the three years. NP/PF Energy Sovereignty participation was already meaningful in PY22-23 (19 projects) and grew steadily, reaching 37 projects in PY24-25. Residential Solar (Large) and Community Solar participation has remained limited over the three years. The gap between submitted and currently active projects is modest in each subprogram, aside from Community Solar. Of the two submitted Community Solar projects from these three program years, neither is still active in the ILSFA program. For context, Community Solar projects generally drop out of the ILSFA program at a higher rate than other subprograms (26% over these three program years, compared to 10% of DG projects over the same period).

Table 2. Energy Sovereignty Participation from PY22-23 through PY24-25

Program Year	Residential Solar (Small)		Residential Solar (Large)		Non-Profit/Public Facilities		Community Solar	
	Submitted	Currently Active	Submitted	Currently Active	Submitted	Currently Active	Submitted	Currently Active
PY22-23	5	5	0	0	19	17	1	0
PY23-24	36	31	1	1	28	22	1	0
PY24-25	565	544	2	2	37	34	0	0
Total	606	580	3	3	84	73	2	0

Ownership Transfer Timing

Table 3 summarizes the length of time between a project's system energization date and its proposed ownership transfer date for Energy Sovereignty projects energized by the end of PY24-25 (May 31, 2025).⁹ On average, Residential Solar (Small) projects plan to transfer ownership at just under 6 years. NP/PF projects follow the same pattern, planning to transfer ownership after roughly 5.75 years. There is only one energized Residential Solar (Large) Energy Sovereignty project in this data, which proposed transferring ownership just over one week after energization. The earliest Residential Solar (Small) transfer was proposed roughly one month after energization.

Table 3. Years Between System Energization Date and Proposed Energy Sovereignty Transfer Date for PY24-25 Energized Energy Sovereignty Projects

Subprogram	Projects	Median	Mean	Min-Max
Residential Solar (Small)	127	5.98	5.88	0.11 – 7.93*
Residential Solar (Large)	1	0.02	0.02	0.02 – 0.02

⁹ The ownership transfer dates in the program tracking data reflect proposed transfer dates rather than completed transfers. Given the Energy Sovereignty pathway's growth in recent program years, and the typical five-year ownership holding period, few projects have reached an actual Energy Sovereignty transfer.

Non-Profit/Public Facilities	24	5.87	5.76	3.79 – 6.67
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* To qualify for Energy Sovereignty projects must transfer within seven years after energization. The project with 7.93 years between system energization and its proposed Energy Sovereignty transfer date is likely a result of the system reaching energization earlier than was planned when the proposed Energy Sovereignty transfer date was determined at Part I project approval.

A consistent theme across AV interviews was that Energy Sovereignty ownership transfer timing is driven primarily by federal tax considerations rather than customer preference. Third-party owners typically retain ownership of a system for at least five years to avoid triggering recapture of the Federal Investment Tax Credit (ITC).¹⁰ Therefore, AVs structure their lease or PPA terms to hold the asset past the five-year window before transferring ownership. AVs indicated that Residential Solar (Small) customers are largely indifferent to this timing. AVs reported that since the system costs Residential Solar (Small) customers nothing and their savings do not change based on ownership, the date of ownership has minimal practical bearing on the customer's experience.

Value Proposition and REC Adder Economics

To understand how the Energy Sovereignty REC adder fits into project economics, the evaluation team analyzed PY24-25 program tracking data, comparing each project's ILSFA incentives (the base REC payment and the Energy Sovereignty REC adder) and estimated non-ILSFA incentives (the Smart Inverter Rebate (SIR) and the ITC) against its total installed cost (not including ongoing operations and maintenance (O&M) costs). This analysis is presented in two complementary ways: first, through illustrative case studies of a single hypothetical project in each of the subprograms, and second, using actual average costs and incentive payments across all energized Energy Sovereignty projects in the tracking data.¹¹

Case Studies

To illustrate the financial dynamics of Energy Sovereignty projects, the evaluation team constructed an illustrative case study for a representative project in each of three subprograms: Residential Solar (Small), Residential Solar (Large), and NP/PF. Each case study illustrates a single hypothetical project using the average size of recent ILSFA projects and the average project cost per kW_{DC} from PY24-25 approved projects.¹² Each case study models the following incentives: ILSFA incentives, including the base REC payment and the Energy Sovereignty REC adder, and external incentives, including the SIR and the ITC (estimated at 30% of total project cost).¹³ It is important to note that projects only qualify for the SIR if they install a smart inverter subject to ComEd and Ameren's program rules. These cases are designed to show how the project's net cost changes with the addition of each incentive. ILSFA REC prices are defined

¹⁰ The Solar ITC will be available for third-party owned systems for projects placed in service by December 31, 2027 or those that begin construction by July 4, 2026. As availability of the solar ITC is phased out, AVs will likely transfer ownership earlier than five years in order to receive a larger Energy Sovereignty REC adder amount.

¹¹ Energized is defined as receiving Part II approval by May 31, 2025.

¹² Case studies use the average size of projects from each subprogram that applied for ILSFA between the fourth and sixth program years (June 1, 2022 – May 31, 2025) and received Part II approval by May 31, 2025 (PY22-25 Energized).

¹³ Solar projects may also take advantage of three individual bonus ITC adders that can be layered on top of the base 30% ITC; however, these were not included in our case studies. The adders include: 1) a domestic content adder (10%), 2) a low-income community bonus (10-20%), and 3) an energy community adder (10%). The Solar ITC will be available for third-party owned systems for projects placed in service by December 31, 2027 or those that begin construction by July 4, 2026.

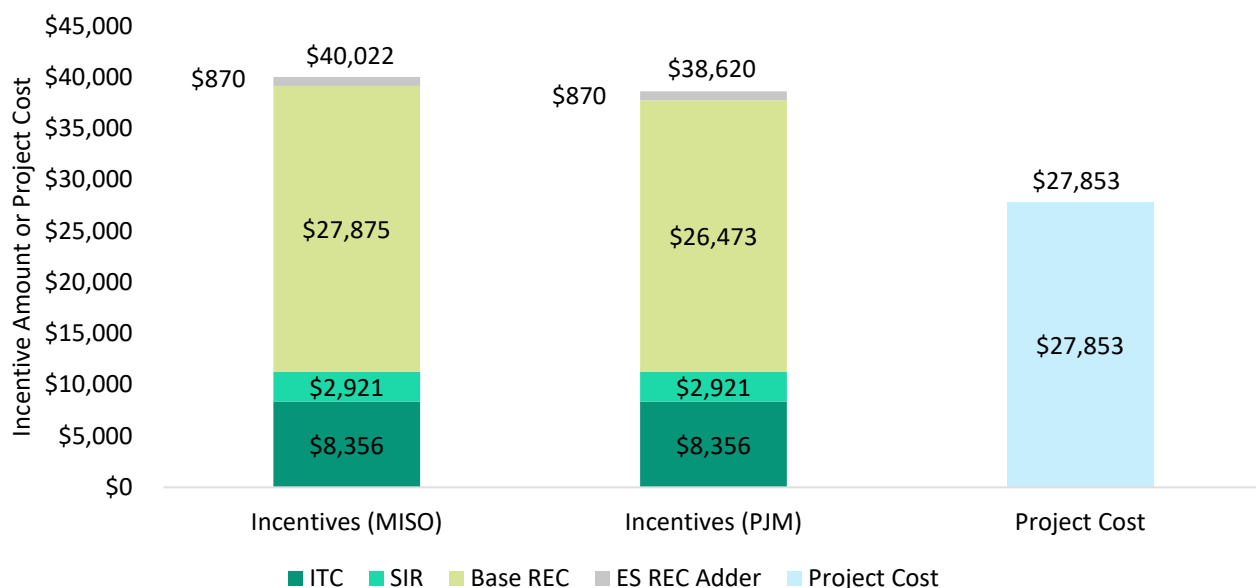
separately by ISO territory (MISO and PJM), and each pricing scenario is represented in the case studies. These case studies do not include ongoing O&M costs incurred by the AV as part of their 15-year service commitments.

The sources and assumptions used to determine project costs and incentives for these case studies are provided in Appendix B. Case Study Details.

Case Study: Residential Solar (Small)

A typically sized Residential Solar (Small) project (7.2 kW_{AC}) costs approximately \$27,900 to install (as shown in Figure 1). The base REC payment alone (roughly \$27,900 in MISO and \$26,500 in PJM) nearly covers this cost, and once the SIR is added, the project shows a net surplus in both REC price territories even before accounting for the ITC or the Energy Sovereignty REC adder. Including the ITC (approximately \$8.4k) widens this surplus to roughly \$12k in MISO and \$11k in PJM. The Energy Sovereignty REC adder itself contributes a comparatively modest \$870 to this picture, consistent with the AV feedback that the adder is not, on its own, necessary to make the average Residential Solar (Small) project financially viable.

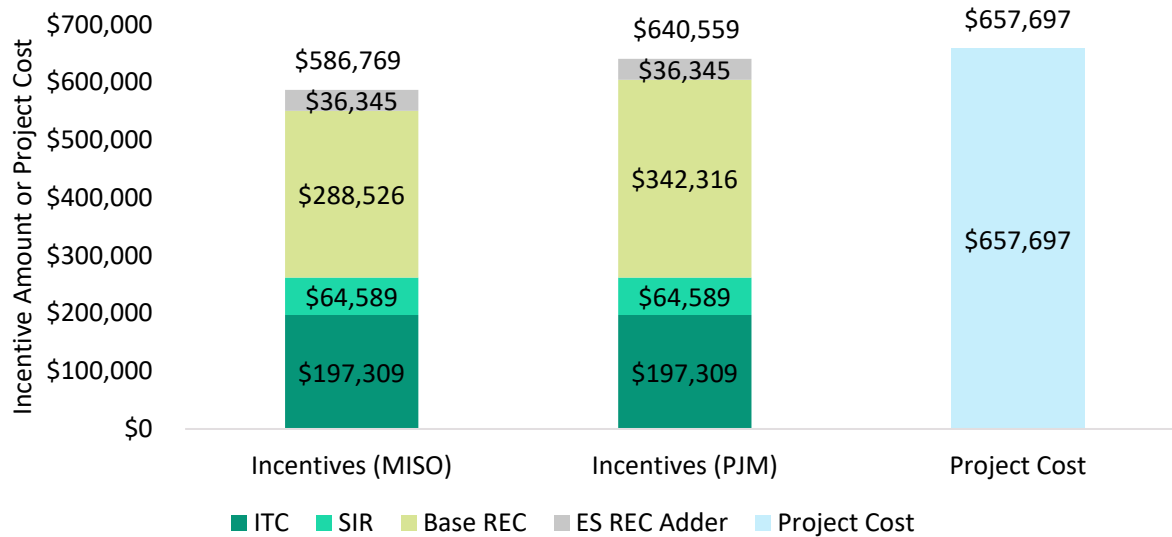
Figure 1. Residential Solar (Small) Energy Sovereignty Case Study Potential Incentives and Project Cost



Case Study: Residential Solar (Large)

The second case study examines a Residential Solar (Large) project with a capacity of 187.2 kW_{AC} (Figure 2). The results below illustrate a near-immediate proposed ownership transfer (0.02 years after energization), which is reflective of the small number of energized Energy Sovereignty projects in this subprogram. Unlike the Residential Solar (Small) case study, the Residential Solar (Large) case study shows a meaningful gap even after all incentives are applied. Before the ITC, the modeled project's cost exceeds its REC, Energy Sovereignty REC adder, and SIR incentives by roughly \$268k in MISO and \$214k in PJM; even after adding the ITC, a gap of approximately \$71k in MISO and \$17k in PJM remains. Moreover, the Energy Sovereignty REC adder provides a modest incentive (roughly \$36k), in addition to the base ILSFA REC amount (roughly \$289k in MISO and \$342k in PJM), but does not overcome the overall funding shortfall for large solar projects. This helps explain why Elevate staff and AVs describe Residential Solar (Large) as carrying disproportionate administrative and financial burden relative to its incentive value.

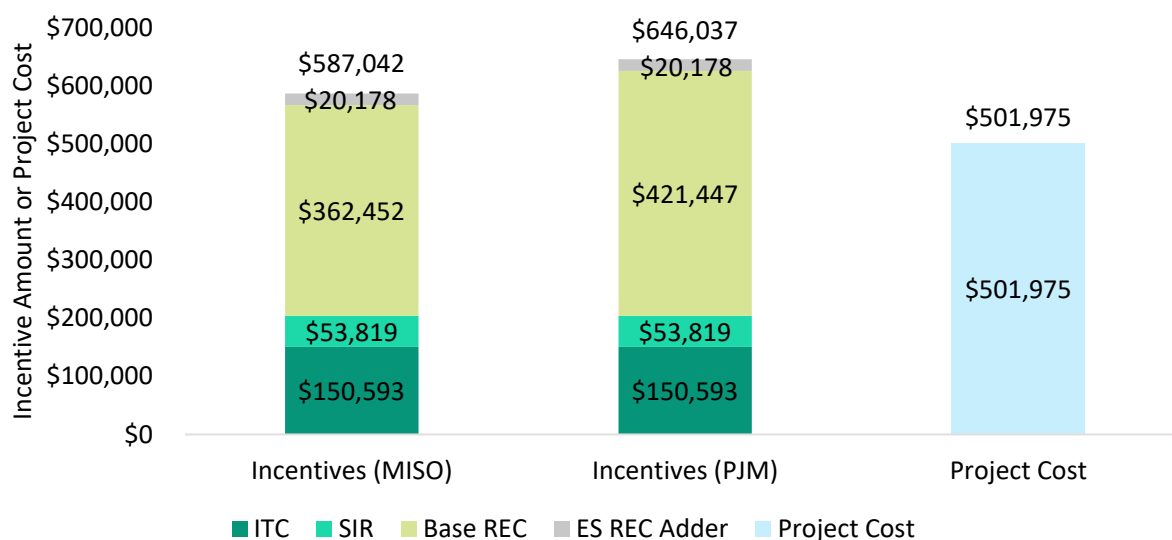
Figure 2. Residential Solar (Large) Energy Sovereignty Case Study Potential Incentives and Project Cost



Case Study: Non-Profit/Public Facilities

The third case study examines a NP/PF project with a capacity of 144.9 kW_{AC} (Figure 3). As with Residential Solar (Small), the NP/PF case study shows that the total of all potential incentives is sufficient to cover the modeled project's cost, producing a net surplus of roughly \$85k in MISO and \$144k in PJM. If this project could not take advantage of the ITC, then the other incentives would not cover the entire project cost, leaving a gap of \$65.5k in MISO and \$6.5k in PJM. In this scenario, the project receives \$20,178 for the Energy Sovereignty REC adder. While a small proportion of the total project cost (\$500k), it is large enough that, consistent with AV feedback, the Energy Sovereignty REC adder is more consequential for this subprogram than for Residential Solar (Small).

Figure 3. NP/PF Energy Sovereignty Case Study Potential Incentives and Project Cost



Case Study: Community Solar

Unlike the other Energy Sovereignty subprograms, Community Solar does not receive an Energy Sovereignty REC adder, so its case study is presented somewhat differently: rather than illustrating how the Energy Sovereignty REC adder shapes financing, this case study focuses on the structural and financing challenges unique to extending Energy Sovereignty ownership requirements to a large, low-income subscriber base. At present, only one Community Solar Energy Sovereignty project is active in the program, reflecting how difficult AVs have found it to make this subprogram work.¹⁴

We spoke with one AV that had a currently active community solar project from a more recent program year. This AV described challenges lining up project financing. They stated that a typical community solar PPA rate is two to three cents per kWh, which barely covers insurance costs, leaving little revenue cushion to attract investors. Layering an ownership transfer on top of these already-thin economics compounds the problem. Because the Energy Sovereignty pathway requires the financing partner to relinquish the asset partway through its useful life, the investor has a shorter window in which to recover its investment and no residual asset value at the end of the term. The AV described spending roughly two and a half years searching for a national financing partner willing to support an Energy Sovereignty Community Solar pipeline, before finally securing a partner.

To satisfy ILSFA's ownership requirement across a subscriber base of thousands of low-income participants, this AV structured its project, a community solar array serving roughly 2,000 low-income subscribers (along with an additional 1,000 higher income subscribers), around multiple special-purpose entities (SPEs), each governed by a board representing a distinct class of subscribers. Each SPE holds ownership on behalf of its represented residents, allowing the AV to demonstrate that ownership rests with subscribers rather than an outside investor. The project offers subscribers a flat low annual subscription fee (\$50), an approach the AV described as a more realistic structure for low-income customers who often struggle to pay their existing utility bills. This AV emphasized that its role does not change with the ownership transfer; the AV remains the developer and O&M provider for the full 15-year term regardless of who formally owns the system. The AV framed Energy Sovereignty as offering subscribers lasting control over their energy future while avoiding counterparty risk that the AV encountered with long-term subscription models for other project types (such as the risk of rising PPA rates). The AV described this project as an innovative approach that they expect will receive national recognition for its scale and structure.

¹⁴ Note that this Community Solar project is not reflected in Table 2 since it was submitted after PY24-25.

Tracking Data Review

To further illustrate upfront project financials, Table 4 reports average project cost and incentives for energized Energy Sovereignty projects, disaggregated by subprogram and ownership type. Unlike the case studies presented above, which estimate project costs and incentives for a hypothetical, representative project, Table 4 relies on the reported project capacity, cost, and incentive information to estimate the incentive components for PY24-25 energized Energy Sovereignty projects. The evaluation team utilized the PY24-25 project tracking data to estimate the following incentive components: the base ILSFA REC payment, the Energy Sovereignty (ES) REC adder, the ITC (calculated at 30% of total project cost), and the SIR offered by ComEd and Ameren in Illinois (\$300/kW applied to the DC capacity of the project).^{15,16} The tracking data does not include whether projects plan to take advantage of the ITC or SIR; these external incentives are included for illustrative purposes.

Table 4. Average Project Cost and Incentive Components for PY24-25 Energized Energy Sovereignty (ES) Projects, by Subprogram and Ownership Type

Subprogram	Ownership	# Projects	Avg. Project Cost	ILSFA Incentives		Estimated Incentives outside ILSFA		Estimated Avg. Total Incentives
				Avg. Base REC Payment	Avg. ES REC Adder	Estimated Avg. ITC Value	Estimated Avg. SIR Rebate	
Residential Solar (Small)	Lease	116	\$27,908	\$32,717	\$1,079	\$8,372	\$3,298	\$45,465
	PPA	7	\$46,250	\$29,621	\$1,015	\$13,875	\$3,084	\$47,596
	Purchase	4	\$35,070	\$31,367	\$1,373	\$10,521	\$2,995	\$46,257
	Total	127	\$29,145	\$32,503	\$1,084	\$8,743	\$3,276	\$45,607
Residential Solar (Large)	Purchase (Total)	1	\$868,065	\$303,083	\$35,211	\$260,420	\$76,986	\$675,700
	Lease	6	\$742,638	\$410,182	\$29,274	\$222,791	\$84,679	\$746,926

¹⁵ The summaries are limited to projects with populated total project costs in the tracking data.

¹⁶ Solar projects may also take advantage of three individual bonus ITC adders that can be layered on top of the base 30% ITC; however, these were not included in our scenarios. The adders include: 1) a domestic content adder (10%), 2) a low-income community bonus (10-20%), and 3) an energy community adder (10%). The Solar ITC will be available for third-party owned systems for projects placed in service by December 31, 2027 or those that begin construction by July 4, 2026.

Non-Profit/ Public Facilities	PPA	18	\$504,498	\$394,555	\$23,992	\$151,349	\$61,781	\$631,677
	Total	24	\$564,033	\$398,462	\$25,313	\$169,210	\$67,505	\$660,489

The Energy Sovereignty REC adder values in the above table are calculated based on the total incentive reported in the tracking data, along with the project energization date and the proposed transfer date. Analysis of the tracking data found that Residential Solar (Small) Lease and PPA projects, which propose transfer after just under six years on average, retain about 60% of the \$10/REC Energy Sovereignty adder (an effective \$6/REC), consistent with the year-six transfer pattern documented in Table 3 above. The direct purchase projects, which transfer earlier, retain 85%–99% of the full Energy Sovereignty REC adder. The NP/PF projects, transferring near year six, likewise retained roughly 61%–62%.

The comparison of ILSFA incentives to project costs aligns with AV reports that incentives, and in some cases the base REC payments alone, exceed project costs (or what is needed to make these projects viable and enables offering no-cost loans for ILSFA participants). For Residential Solar (Small) projects, the base REC and Energy Sovereignty REC adder payments together (i.e., ILSFA Incentives) recover from roughly two-thirds of average project cost for PPA projects (66%) to fully covering and exceeding it for lease projects (121%, or \$33,800 in REC revenue against \$27,900 in cost). If the SIR and ITC are layered on, total incentives reach approximately 1.0 to 1.6 times average project cost across the three ownership types. For this subprogram, the Energy Sovereignty REC adder averages only about \$1,000–\$1,400 per project, or roughly two to three percent of total incentive value.

The incentive versus cost margins are tighter for the NP/PF and Residential Solar (Large) subprograms. For NP/PF projects, REC revenue alone recovers roughly 59% (lease) to 83% (PPA) of project cost, and total incentives range from at-cost (lease) to about 1.3 times the total project cost (PPA). The Energy Sovereignty REC adder is larger in absolute terms for these higher-cost subprograms (\$24,000–\$35,000 per project) but still represents a small share of overall project incentives. These patterns in the tracking data are consistent with the feedback received from AVs, that the REC adder is a more meaningful incentive for larger DG projects (e.g., NP/PF), where the base REC incentive alone does not cover project costs.

The ITC accounts for a substantial share of total incentive value across all subprograms and ownership structures. If the ITC was excluded from the set of project incentives, leased Residential Solar (Small) projects would still cover their costs via ILSFA incentives (base REC and Energy Sovereignty REC adder) and the SIR. Residential Solar (Small) purchase and NP/PF PPA projects sit near break-even without the ITC. In these cases, the Energy Sovereignty REC adder, though still a small share of total incentive value, becomes more important. Residential Solar (Small) PPA, Residential Solar (Large), and NP/PF Lease projects would face a meaningful financing gap absent the ITC.

Conclusion

Taken together, the tracking data review and the three case studies suggest that the Energy Sovereignty REC adder plays little role in the financial viability of Residential Solar (Small) projects, where base REC payments largely cover project costs on their own, but plays a small yet meaningful role for NP/PF projects. The REC adder could become more important to project economics as the federal ITC is phased out, especially for the NP/PF and Residential Solar (Large) projects that currently rely more on the ITC to pencil. Base REC payments, the SIR, and the ITC already cover or exceed upfront project costs in most scenarios modeled, with the Energy Sovereignty REC adder contributing a comparatively small share of total incentive value. Residential Solar (Large) is the exception: even with the full incentive package modeled here, the representative project does not fully cover its upfront cost. Note that these scenarios did not include the full cost of the project, such as ongoing O&M costs over 15 years. These quantitative patterns are broadly consistent with the AV feedback, that the Energy Sovereignty REC adder simply improves project economics at the margin, with the additional benefit that these incentives are received upfront upon interconnection.

The 2026 Long-Term Plan notes that the IPA intends to revisit the REC adder going forward. The Plan states that “beyond the 2026-27 Program Year the IPA will conduct a stakeholder process to re-evaluate the benefit of the additional \$10 per REC relative to participation and market conditions for the 2027-2028 Program Year.”¹⁷

Motivations for Participation

Marketing and Customer Communication

AVs described taking deliberately simple approaches to explaining Energy Sovereignty to Residential Solar (Small) customers, generally avoiding technical details about REC adders or ownership-transfer mechanics. As one AV put it: “We don't [explain it in detail]. Just tell them it's a [several]-year lease ... getting more into the weeds creates too much confusion. All the customer needs to know ... is that they don't have payments ever, and legally speaking they own the asset after [several] years.” Multiple AVs reported that the no-cost, eventual-ownership offer is sometimes perceived by prospective customers as “too good to be true,” occasionally prompting accusations that the program is a scam, which AVs say they typically overcome through word-of-mouth referrals and community trust-building rather than formal marketing materials. The tendency for some customers to initially distrust the program is consistent with evaluation team findings about the broader ILSFA program as well.

AVs described NP/PF customers as asking more substantive questions, particularly about payment guarantees, liability for roof or equipment issues, and the practical mechanics of the ownership transfer, though ultimately most accept the standard Energy Sovereignty terms once those questions are answered.

¹⁷ Section 8.5.1.1 of the 2026 Long-Term Plan

Approved Vendor Motivations and Barriers

Across the four AVs interviewed, the dominant motivation for offering Energy Sovereignty is straightforward economics. As one vendor put it: “Why not? It's easy, and it's more money.” Several AVs noted that they would likely pursue the same projects with or without the REC adder, since the customer protections including the 15-year O&M obligations under the REC contract are unchanged by an Energy Sovereignty designation. For organizations already offering no-cost lease or PPA products, adding an Energy Sovereignty ownership-transfer provision costs the AV little beyond administrative tracking, while unlocking additional REC revenue and higher priority in project selection.

One AV described the Energy Sovereignty REC adder as a “game changer,” particularly for NP/PF. Because the REC adder is paid upfront upon energization along with the base REC payment, it provides AVs with additional funds to help cover installation costs without requiring customer payment. Other AVs similarly described the adder as making projects “pencil” more readily, in some cases determining whether a project is financeable at all.

At the same time, at least one AV questioned whether the REC adder is necessary given the underlying profitability of many ILSFA projects. This AV noted that profit margins on Residential Solar (Small) systems are already high (citing a hypothetical \$20,000 in profit on a single 10 kW no-cost lease project) and suggested that REC adder funds might have greater impact for low-income communities if redirected toward funding additional projects rather than supplementing already-profitable transactions for vendors.¹⁸

Several AVs reported that communications around how the REC adder is calculated and disbursed are confusing. One AV reported receiving a REC payment of approximately \$100,000 less than expected on a project it originally believed qualified for the full \$10/REC adder (due to misunderstandings surrounding how the Energy Sovereignty REC adder is prorated). That AV recommended that the program administrator either ensure all qualifying AVs reliably receive the full \$10/REC adder or stop describing it as a “\$10 REC adder” if, in practice, fewer than all eligible projects receive that amount.

Customer Motivations and Barriers

Customer motivations and barriers to participating in the Energy Sovereignty pathway vary substantially by subprogram.

Residential Solar (Small)

For Residential Solar (Small) projects, Energy Sovereignty has become close to the default structure for many AVs given the REC adder and minimal incremental operational burden. The most common pathway is a 5- to 6-year lease or PPA followed by ownership transfer, with the specific term generally chosen to allow full realization of ITC benefits before transfer. Ownership timing is rarely a meaningful factor in a customer's decision to participate, as customers' bills and savings are unaffected by whether or when ownership transfers, and AVs typically present Energy Sovereignty as the only structure on offer rather than a choice among alternatives. As one AV summarized, “ownership doesn't seem to be something small

¹⁸ Our research found similarly high profit margins in the Residential Solar (Small) subprogram, closer to \$15,378 on average (see Figure 1).

residential customers care about," with only rare exceptions among more solar-literate customers or those weighing a future home sale and wanting to understand how a transfer might affect home value.

Residential Solar (Large)

Elevate staff described Residential Solar (Large) as carrying disproportionate administrative burden for both the customer and the AV relative to its base ILSFA REC value. The lack of significant Energy Sovereignty Residential Solar (Large) participation is reflective of the general challenges that standard ILSFA Residential Solar (Large) projects face. For multifamily buildings with unit-level metering, projects require documenting and aggregating savings or generation across dozens of individual units. Meanwhile, master-metered buildings require documenting that savings pass through to tenants. These additional administrative burdens are not offset by program incentives; in fact, Residential Solar (Large) ILSFA REC payments are lower than the other DG subprograms. As the Residential Solar (Large) case study above illustrates (Figure 2), the Energy Sovereignty REC adder does little to change this picture. Even with the REC adder, the SIR, and the ITC applied, project costs for Residential Solar (Large) are unlikely to be fully covered by ILSFA program incentives.

Non-Profit/Public Facilities

Both Elevate and AV interviewees described the Energy Sovereignty REC adder as a significant draw for NP/PF AVs. Non-profit customers were described as more engaged with ownership questions than residential customers, with governing boards frequently asking about the ownership timeline during the sales process. Houses of worship and other non-profits often want to be able to tell their congregations or constituents that the organization owns its solar array. That said, AVs noted that since ownership transfer does not change the non-profit's savings or relieve the AV of its 15-year maintenance obligations, practical concerns about savings guarantees and maintenance responsibilities such as roof leaks remain the primary day-to-day considerations of these customers and outweigh desires for earlier ownership.

Community Solar

Community Solar does not receive a REC adder for Energy Sovereignty but does receive priority in the project selection process. Elevate staff identified Community Solar as the most difficult subprogram in which to implement Energy Sovereignty. Establishing ownership on behalf of potentially thousands of low-income subscribers is structurally complex, financing partners must weigh additional risk without an offsetting REC adder, and Community Solar projects in general face higher financial risk because no incentive is paid until a project is built. In practice, project development depends on bespoke deal structuring rather than any standard customer-facing pitch.

Risks and Consumer Protections

Customer Risks

AVs and Elevate staff consistently described the customer-facing risk profile of Energy Sovereignty projects as minimal. The most frequently cited incremental risk (or burden) is the customer's need to carry insurance on the system once ownership transfers. Because the AV remains contractually responsible for 15 years of O&M regardless of who owns the system, transferring ownership does not change a customer's monthly costs or savings.

ILSFA has strong consumer protection provisions in place for all projects. The required provisions within project warranties or guarantees are:

- Duration is 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 generation degradation beyond 15% over the first 15 years
- Specifies any limitations on the coverage of the warranty, guarantee, or agreement
- Specifies the remedy for the participant in the case of underperformance or other issue and how to file a claim
- Specifies what entity is responsible for the warranty, guarantee, or agreement

DG projects must include information on the cost and timing of the transfer of ownership and any ongoing costs for the new owner within their third-party owner (TPO) or PPA customer contract (aside from the O&M costs which the AV is responsible for during the 15-year warranty term). Additionally, AVs are encouraged to work with the new owner to ensure they obtain insurance for the system.

Approved Vendor Risks

For AVs, the primary risk associated with Energy Sovereignty is the claw-back if a transfer is not completed within the two-year grace period following the proposed transfer date (this would be a claw-back of all ILSFA REC payments, not just the Energy Sovereignty REC adder). Most AVs characterized this risk as an administrative tracking burden rather than a meaningful financial or operational risk. Several AVs noted that they have begun building internal tracking systems to monitor upcoming transfer dates across their project portfolios in the absence of automated reminders from the program administrator. Complications related to the transfer date are described in more detail in the next section.

Energy Sovereignty Administration Challenges

Ownership Transfer Date

Across nearly every interview, with Elevate staff and with AVs alike, the process surrounding the proposed Energy Sovereignty transfer date emerged as a complicated and frequently noted administrative issue with the Energy Sovereignty pathway. Under current program rules, an AV must commit to a proposed transfer date at the time of Part I approval, before a project's actual construction and interconnection timeline is known.¹⁹ Elevate staff explained that some AVs set proposed transfer dates that later prove unworkable, without fully appreciating that REC adder payments are calculated against that date and that delays will trigger a claw-back obligation of a proportion of the REC adder payment. At Part I, an AV does not yet know how long construction and interconnection will take. AVs generally select a date based on when they expect the system to be energized. If energization comes later than anticipated, the proposed transfer date ends up falling sooner after energization than the AV planned, and the project may miss it.

¹⁹ Applications include a Part I and a Part II; Part I is completed during project planning and covers planned technical details such as size, estimated REC production, equipment, and installer information. Part II is completed after the project has been installed and energized.

Elevate described the REC contract language governing this process as “not very flexible” once a project is Part I approved and noted persistent confusion among AV staff between the “proposed” transfer date, the actual/“final” transfer date, and the two-year grace-period deadline by which a transfer must occur to avoid full claw-back of all ILSFA incentives for a project (not just the Energy Sovereignty REC adder). Elevate further noted that the AV staff who complete Part I submissions are often not the same AV staff who interpret REC contract language, compounding the difficulty of explaining the timeline correctly to AVs in the first place.

One AV recommended that Elevate implement an automated transfer reminder system, particularly given the growing volume of Energy Sovereignty projects with transfer dates coming due in the next few years. That AV noted it has begun building its own internal system to track upcoming transfer dates across its portfolio in the absence of programmatic support.

Elevate separately raised a related documentation gap: while AVs are required to transfer ownership on or before the proposed transfer date, there is currently no firm requirement specifying how many days after the actual transfer an AV must notify the program (Elevate cited examples of AVs that completed a transfer but did not communicate it to the program for several months, and in one case, a full year); nor is it fully clear whether documentation submitted through a non-standard channel or form should be accepted.²⁰

Both Elevate program staff interviewed felt that allowing the proposed transfer date to be revised at Part II (once a project's actual construction timeline and financing structure are known), rather than locking it in at Part I, would substantially reduce both the frequency of claw-back disputes and the confusion AV staff experience in explaining the process internally and to customers.

Other Documentation Challenges

Experiences with Energy Sovereignty documentation requirements varied; some smaller-volume AVs generally described Part I and Part II Energy Sovereignty documentation as manageable once their teams understood the requirements, though they noted a steep and not always well-supported initial learning curve. One AV specifically recalled difficulty building compliant contract templates early on without in-house legal support, relying heavily on one particular program administrator staff member who was “incredibly helpful, but only works two to three days a week,” and recommended that the program administrator develop more comprehensive, self-service training materials (e.g., instructional videos covering how the REC adder is calculated) so that new AVs are not solely dependent on the availability of a single staff contact.

One AV raised a different concern about duplicative data entry. They described an issue related to re-entering the same information across multiple forms and systems (e.g., manually transcribing data already captured on a submitted form into a separate database), and suggested that automating this data transfer through direct system integration would meaningfully reduce administrative burden for high-volume AVs. It was not clear whether this documentation burden was unique to Energy Sovereignty projects or reflected a wider issue for any type of ILSFA project.

One AV specifically requested that the AV portal be updated to handle purchase-pathway documentation more easily (as opposed to lease or PPA, which the portal is currently better configured to support).

²⁰ According to the ILSFA 2026-2027 Approved Vendor Manual Version 9.0 Section 2.3.3 Energy Sovereignty, the AV shall notify within 30 days of the transfer; however there is no enforcement mechanism or consequence if they notify after this deadline.

Conclusions and Recommendations

This section presents the key findings from this research alongside associated recommendations. Taken together, these recommendations are intended to reduce administrative burden for AVs and the program administrator, improve clarity and consistency in communications about the Energy Sovereignty pathway, and ensure that the Energy Sovereignty REC adder continues to serve its intended purpose as participation evolves.

Key Findings

FINDING 1

The requirement that AVs commit to a single proposed transfer date at Part I approval (before construction and interconnection timelines are known) is a source of confusion and administrative burden in the Energy Sovereignty pathway, for both AVs and program administrator staff, and poses a financial risk to AVs.

Program Recommendation:

- Allow the proposed transfer date to be revised at Part II approval. Allowing AVs to confirm or adjust the proposed transfer date once a project's actual construction timeline, financing structure, and REC contract terms are finalized at Part II would reduce claw-back exposure and the internal confusion AV staff experience reconciling transfer deadline dates.
- The program tracking database should be updated to separately track the Part I and Part II proposed transfer date, as well as the actual transfer date once it occurs.

FINDING 2

AVs reported a steep learning curve and thin support when first navigating Energy Sovereignty documentation, REC adder calculations, and contract structuring, often relying on informal guidance from a single, part-time program administrator staff contact.

Program Recommendation:

- Develop comprehensive, self-service Energy Sovereignty training and reference materials for AVs. The program administrator should develop a consolidated FAQ and training resource (e.g., short instructional videos) covering REC adder calculation methodology, ownership-pathway documentation requirements, and common contract-structuring questions, so that new AVs are not solely dependent on the availability of individual staff members to get up to speed.

FINDING 3

AVs reported confusion and frustration stemming from how the Energy Sovereignty REC adder is described and communicated. Although the adder is commonly referred to as a "\$10 REC Adder" throughout documentation, including the Approved Vendor Manual and the Long-Term Plan, the actual payment is prorated based on transfer timing. Most projects do not receive the full \$10/REC Adder amount. AVs reported that this was not made clear upfront, and in at least one documented case an AV received a REC adder payment substantially lower than expected.

Program Recommendation:

- Ensure REC adder calculation methodology is communicated consistently and in advance. The IPA and the program administrator should revise how the Energy Sovereignty REC adder is communicated to AVs, replacing the shorthand "\$10 REC adder" framing with a clear explanation of how the payment is calculated and how transfer timing affects the actual amount received.
- Before Part I submission, AVs should be told an estimated dollar amount their project would receive for a given proposed transfer date and assumed energization date, so that the adder proration is transparent from the outset.

FINDING 4

The Energy Sovereignty REC adder plays little role in the financial viability of Residential Solar (Small) projects, where base REC payments largely cover project costs on their own, but plays a small yet meaningful role for NP/PF projects. The REC adder could become more important to project economics as the federal ITC is phased out, especially for the NP/PF and Residential Solar (Large) projects that currently rely more on the ITC to pencil. At least one AV questioned whether the Energy Sovereignty REC adder is necessary at all, given already-high profit margins on many Residential Solar (Small) projects, and suggested that redirecting that funding toward additional projects could have greater benefit for low-income communities.

Program Recommendation:

- As part of the planned PY27-28 REC adder re-evaluation, assess whether REC adder funding is achieving its intended purpose relative to its cost within each subprogram, including consideration of alternative uses of those funds. The IPA's planned stakeholder process to re-evaluate the Energy Sovereignty REC adder should explicitly weigh AV feedback that for some subprograms, such as Residential Solar (Small), REC adder costs may exceed what is needed to motivate Energy Sovereignty participation and should consider whether redirecting a portion of that funding toward expanding overall project volume would better serve program goals. At the same time, it may be worthwhile to reinstate project prioritization for Residential Solar (Small) projects, as a way to continue promoting Energy Sovereignty participation if the Energy Sovereignty REC Adder were to be eliminated for this subprogram. AV feedback suggests that the Energy Sovereignty REC adder still plays an important role within the NP/PF subprogram. It may also be worthwhile considering a REC adder within the Community Solar subprogram, which has the potential to improve the financing prospects that are necessary to complete these types of projects.

Appendices

Appendix A. Methodologies

The evaluation team conducted in-depth interviews with IPA program staff, Elevate staff, and four AVs with Energy Sovereignty projects. The volume of Energy Sovereignty projects represented by the interviewed AVs ranged from single digits to several hundred projects, and ownership pathways used by these AVs included lease, PPA, and direct purchase structures. All four AVs had submitted projects to the NP/PF subprogram, two had submitted Residential Solar (Small) projects, two had submitted Community Solar projects, and one had submitted Residential Solar (Large) projects. To preserve confidentiality, this report does not present specific project counts of the interviewed AVs.

In addition to AV and program staff interviews, the evaluation team reviewed the following materials:

- IPA 2026 Modified Long-Term Renewable Resources Procurement Plan (2026 Long-Term Plan)²¹
- IPA 2024 Long-Term Renewable Resources Procurement Plan, Appendix G: Review of Approaches to Energy Sovereignty²²
- ILSFA 2026-2027 Approved Vendor Manual Version 9.0²³
- ILSFA 2026 Utility and IPA Standard REC contract Agreements²⁴
- IPA Consumer Protection Handbook for Illinois Shines & ILSFA (Compliance Required for the Program Year Beginning June 2026)²⁵
- PY24-25 ILSFA Program Tracking data
- ILSFA project disclosure forms and purchase agreements from a sample of eight Energy Sovereignty projects

²¹ <https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20260602-2026-modified-ipa-long-term-plan.pdf>

²² <https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/ltrrppendixgonenergysovereigntyfinal.pdf>

²³ https://www.illinoissfa.com/wp-content/uploads/2026/06/2026-2027_Approved-Vendor-Manual-Version-9.0.pdf

²⁴ https://www.illinoissfa.com/wp-content/uploads/2026/06/2026-SFA-Utility-REC-Contract_6-1-2026.pdf
https://www.illinoissfa.com/wp-content/uploads/2026/06/2026-SFA-IPA-REC-Contract_6-1-2026.pdf

²⁵ <https://www.illinoissfa.com/wp-content/uploads/2026/04/2026-27-CP-Handbook-Clean.pdf>

Appendix B. Case Study Details

The tables below detail the calculation steps, component values, and assumptions underlying each case study, with ILSFA REC prices shown separately for both ISO territories (MISO and PJM). They do not include ongoing O&M costs incurred by the AV as part of their 15-year service commitments.

Table 5. Residential Solar (Small) Energy Sovereignty Case Study

Metric	MISO	PJM	Source
Project Size (kW _{AC})	7.2		Average PY22-25 Energized Projects
Cost per W _{DC}	\$2.9		Average PY24-25 Approved Projects
Project Size (kW _{DC})	9.74		Average PY22-25 Energized Projects
Project Cost	\$27,853		Calculated based on cost/W _{DC} and project size
Estimated ITC	\$8,356		Calculated at 30%
SIR Amount	\$2,921		Calculated based on \$300/kW _{DC} SIR rate and project size
RECs	143.1		Average PY22-25 Energized Projects
REC Price (\$/REC)	\$194.82	\$185.02	≤10kW: 2026-27 REC Prices for Residential Solar (Small)
Base REC Amount	\$27,875	\$26,473	Calculated based on RECs and REC price
Years Until Transfer	5.88		Average PY22-25 Energized Energy Sovereignty Projects
REC Adder (\$/REC)	\$6.08		Calculated based on years until transfer
REC Adder Total	\$869.93		Calculated based on REC Adder and RECs

Table 6. Residential Solar (Large) Energy Sovereignty Case Study

Metric	MISO	PJM	Source
Project Size (kW _{AC})	187.2		Average PY22-25 Energized Projects
Cost per W _{DC}	\$3.1		Average PY24-25 Approved Projects
Project Size (kW _{DC})	215.3		Average PY22-25 Energized Projects
Project Cost	\$657,697		Calculated based on cost/W _{DC} and project size
Estimated ITC	\$197,309		Calculated at 30%
SIR Amount	\$64,589		Calculated based on \$300/kW _{DC} SIR rate and project size
RECs	3,639.3		Average PY22-25 Energized Projects
REC Price (\$/REC)	\$79.28	\$94.06	>100 - 200 kW: 2026-27 REC Prices for Residential Solar (Large)
Base REC Amount	\$288,526	\$342,316	Calculated based on RECs and REC price
Years Until Transfer	0.02		Average PY22-25 Energized Energy Sovereignty Projects
REC Adder (\$/REC)	\$9.99		Calculated based on years until transfer
REC Adder Total	\$36,345		Calculated based on REC Adder and RECs

Table 7. Non-Profit/Public Facilities Energy Sovereignty Case Study

Metric	MISO	PJM	Source
Project Size (kW _{AC})	144.9		Average PY22-25 Energized Projects
Cost per W _{DC}	\$2.8		Average PY24-25 Approved Projects
Project Size (kW _{DC})	179.4		Average PY22-25 Energized Projects
Project Cost	\$501,975		Calculated based on cost/W _{DC} and project size
Estimated ITC	\$150,593		Calculated at 30%
SIR Amount	\$53,819		Calculated based on \$300/kW _{DC} SIR rate and project size
RECs	3275.7		Average PY22-25 Energized Projects
REC Price (\$/REC)	\$110.65	\$128.66	>100 - 200 kW: 2026-27 REC Prices for Non-Profit and Public Facilities
Base REC Amount	\$362,452	\$421,447	Calculated based on RECs and REC price
Years Until Transfer	5.76		Average PY22-25 Energized Energy Sovereignty Projects
REC Adder (\$/REC)	\$6.16		Calculated based on years until transfer
REC Adder Total	\$20,178		Calculated based on REC Adder and RECs