ILLINOIS POWER AGENCY

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Illinois Shines & ILSFA

Stakeholder Feedback Request

Solar Restitution Program: Phase III

November 19, 2026

The Illinois Power Agency ("IPA" or "Agency") is soliciting stakeholder feedback on the development of the third phase of the Solar Restitution Program ("SRP"). The SRP is one of the Consumer Protection Initiatives outlined in the 2024 Long-Term Renewable Resources Procurement Plan ("Long-Term Plan"), and it provides financial assistance for customers harmed through their participation in Illinois Shines or Illinois Solar for All. The Long-Term Plan explained that the Agency would develop the SRP in a "phased" approach.

In May 2025, the Agency and the Program Administrator for Illinois Shines launched Phase I of the SRP. In Phase I, Illinois Shines customers who were promised a pass-through payment by their Approved Vendor ("AV"), but did not receive any portion of the payment, were eligible to apply for restitution.

The 2026 Long-Term Plan explained that additional phases of the SRP would expand the program to include additional types of harm. In June 2026, the Agency launched Phase II of the SRP. Phase II expanded the SRP to include Illinois Shines customers that were promised a pass-through payment by their Approved Vendor and received a portion of that payment. Given the limited expansion of scope, the Agency did not seek stakeholder feedback for Phase II.

As of November 13, 2026, the Agency has approved 169 pass-through payment claims, totaling approximately $2.20 million.

Pursuant to its authority in the Long-Term Plan, the Agency is now planning an expanded Phase III of the SRP, and seeks stakeholder feedback on its proposal. The Agency proposes that Phase III cover misrepresentation claims, claims related to rejected project applications, and claims related to non-functioning or unfinished solar projects, for customers in both Illinois Shines and Illinois Solar for All. This document provides additional detail about Phase III and requests stakeholder feedback on all aspects of the proposal.

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

Please provide comments via email attachment to IPA.Solar@illinois.gov with the subject "[Responder's Name] – Stakeholder Feedback on SRP Phase III" by Friday, December 11, 2026.

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

I. Background on the SRP

The basic structure of the Solar Restitution Program is provided in the Agency's Long-Term Plan, the 2025 SRP Rationale Document, and the Consumer Protection Handbook.[1] These documents contain information on funding for the SRP, minimum eligibility requirements, payment caps, claim prioritization, claim review and appeal process, and disciplinary action for vendors who have restitution claims against them, among other issues.

Under the Long-Term Plan, SRP claimants are eligible to receive restitution if they have filed a complaint related to the harm for which they seek restitution, as well as a timely-submitted restitution claim. In addition, claimants must have experienced economic harm resultant from a solar vendor's violation of Program requirements. Other eligibility requirements are described in the 2026 Long-Term Plan.

The amount of available restitution is capped by vendor and project. The 2024 Long-Term Plan outlined two payment caps for SRP claims: 1) claimants could receive no more than $30,000 per affected solar project (a per-project cap); and 2) the SRP would pay no more than $200,000 for

[1] 2026 Long-Term Renewable Resources Procurement Plan: Modified Plan Consistent with Public Act 104-0458 (June 1, 2026), https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20260602-2026-modified-ipa-long-term-plan.pdf; Rationale Document: Solar Restitution Program (Illinois Shines & ILSFA) (April 28, 2025), https://illinoisshines.com/wp-content/uploads/2025/04/Solar-Restitution-Program-Rationale-Document-28April2025.pdf;
2026 Consumer Protection Handbook, https://illinoisshines.com/wp-content/uploads/2026/04/2026-27-CP-Handbook-Clean.pdf.

claims against a single vendor (a per-vendor cap). Under the 2026 Long-Term Plan, the caps have been expanded. The per-project caps are now:

- $30,000 for projects that are 25 kW or smaller
- $50,000 for projects that are larger than 25 kW

The per-vendor caps are now:

- A "soft" per-vendor cap of $2,000,000: All restitution claims that are filed based on the violations of a particular vendor will be paid out in full until the $2,000,000 cap is reached;
- A minimum percentage payout for claims once claims based on the conduct of a particular vendor have surpassed $2,000,000: Claims based on a vendor's failure to pass through promised REC incentive payments will continue to be paid out at 100%, while all other SRP claims will be paid out at 50%; and
- A "hard" per-vendor cap of $3,000,000: Once claims based on the violations of a particular vendor reach $3,000,000, the Agency will no longer pay out any claims for that vendor's actions.

Note that the per-project caps apply across all claim types. For example, if a small Distributed Generation customer received $30,000 in Phase I, the customer would not be eligible to receive any additional restitution for their project, even if they have a Phase III claim against the vendor.

Details about other structural aspects of the SRP are omitted here, but they remain unchanged from the 2026 Long-Term Plan and the 2025 SRP Rationale Document, with the exception of the proposed updates to the procedures for the claim review period described in Section II below.

II. Changes to Claim Review Period

In the 2024 and 2026 Long-Term Plans, the Agency outlined procedures for claim review periods. Specifically, once a claim against a particular vendor is filed, the Program Administrator waits 30 days to see if another claim against the same vendor is filed. If no additional claims against that vendor are filed, the Program Administrator proceeds with processing the claim. If additional claims against that vendor are filed in the 30-day waiting period, then the Program Administrator waits an additional 60 days (for a total of 90 days) for additional claims to be filed. At the end of the 90 days, any claims that are approved can be paid out.[2]

The purpose of the 90-day claim waiting period was to ensure that more customers would be able to receive at least some restitution before the per-vendor cap was reached and that claims were not prioritized simply because they were filed earlier. Because the original per-vendor cap on

[2] See 2026 Long-Term Plan, at 413-14.

restitution awards was $200,000, the Agency anticipated claims against certain vendors could quickly exceed the $200,000 cap. Under newly expanded caps, there is a lower risk that claims against any particular vendor will quickly exceed the per-vendor cap and that customers that file earlier claims will be unfairly prioritized.

Given the cap changes, the Agency is now proposing to modify the claim review period as described in the 2026 Long-Term Plan[3] in order to eliminate the second 60-day waiting period. Under the new proposal, once a claim against a particular vendor is filed, the Program Administrator will wait 30 days for additional claims to be filed. After the 30 days have concluded, the Program Administrator will process all filed claims, and the filing of any new claims against that vendor will start a new 30-day claim window for additional claims. The reduced waiting period will allow the Program Administrator to process claims and pay customers more quickly. However, if claims against a particular vendor are approaching the per-vendor cap, the Program Administrator may adjust the process for claims against that vendor in order to promote fairness across customers.

Questions for Stakeholder Feedback:

1. *What feedback do stakeholders have on the proposed change to the claim review period?*

III. Phase I and Phase II of the SRP

In Phases I and II, the Program Administrator accepted restitution claims for a vendor's failure to pass through the REC incentive only up to the amount that was owed to the customer under the AV-customer REC contract. Phase I was for situations where the AV did not pass through any portion of a payment, and Phase II expanded to include situations where the customer received part of the REC incentive payment from the AV.

IV. Types of Claims Covered in Phase III

In Phase III of the SRP, the Agency is proposing to expand the SRP to include claims within three new categories:

1. Direct economic harm from misrepresentations made to a customer by the solar vendor;
2. Direct economic harm to a customer caused when a project's Program application is rejected due to the fault of the solar vendor; and

[3] As part of the 2026 Long-Term Plan, the Agency was granted authority by the Commission to make minor modifications to SRP procedures and implementation details. See 2026 Long-Term Plan, at 416 ("As with other details of the Solar Restitution Program, the Agency sought to retain some flexibility to adjust the claim processing details as appropriate between Plans as it gains experience in implementing the Solar Restitution Program, which the Commission authorized through its approval of this 2026 Plan.").

3. Direct economic harm based on costs to fix nonfunctioning, underperforming, and/or unfinished solar projects.

Phase III of the SRP will be available to customers in both Illinois Shines and Illinois Solar for All, although Phase III may launch at different times for each program.

The Agency proposes that Phase III will cover claims where the vendor has paid the customer partial compensation for the underlying harm, as long as the underlying harm is one of the three kinds of claims provided above. For example, assume a customer's solar project was never fully constructed and energized by their vendor, but the vendor paid the customer $2,000 in compensation. If it costs $8,000 to fully complete and energize the solar project, the customer would be potentially eligible for $6,000 ($8,000 - $2,000) in restitution under Phase III.

Other types of claims, including those related to property damage caused by the solar vendor, will not be covered in Phase III of the SRP. The Agency understands that customers may be frustrated that Phase III will not cover other types of harm, particularly property damage claims. However, the administration of the SRP is complex and extremely resource-intensive, and the Agency has determined that expanding the program in a more limited manner will allow the Agency and Program Administrator to ensure that claims are paid out fairly and efficiently with minimal delay. Phase III also will not cover promised pass-through payments for customers when the underlying REC incentive payment has not yet been made to the AV (with a potential exception for the situation where the payment will never be made to the AV because the project is not eligible to participate in the program).

Questions for Stakeholder Feedback:

2. *Is the proposed scope for Phase III appropriate, or should it be narrowed or expanded? If so, how and why?*
3. *Should customers that have received some compensation from their vendor be eligible for Phase III restitution?*
4. *Should the Solar Restitution Program provide additional payment to customers that have reached a settlement with their vendor?*

A. Misrepresentations

Misrepresentation claims involve situations in which a solar vendor (typically a sales representative) makes a promise to a customer (either verbally or in writing) but does not deliver on the promise. Misrepresentation by a vendor that participates in the Program is always a violation of Program requirements.[4] Although some customers are able to produce written

[4] For example, see Section I.A of the 2025 Consumer Protection Handbook ("Approved Vendors and Designees shall not make any claim that is false, deceptive, or misleading, whether by affirmative statement, implication, or omission.").

evidence of misrepresentation, the Program Administrator often receives misrepresentation complaints where the customer does not have tangible proof or documentation of the promise.

The Agency investigates all misrepresentation complaints, whether or not there is documentation of the promise. Since claims often involve conflicting accounts without documentation, in the disciplinary process, the Program Administrator may rely on a pattern of misrepresentation complaints to determine that a vendor violated Program requirements.

With respect to individual restitution claims, however, there would be significant challenges with determining the proper payout for a misrepresentation restitution claim without documentation. In particular, the Program Administrator would be forced to rely entirely on the customer's claim of the alleged promise in order to determine the amount owed in restitution, and there is at least some risk that a customer may file a dishonest claim, may have misremembered, etc.

As a result, the Agency intends to allow restitution for misrepresentation claims only when there is sufficient demonstration of the misrepresentation. Sufficient demonstration could include, but is not limited to, a contractual provision, another document provided to the customer during the sales process, a text message or email from the vendor to the customer, and/or an audio or video recording. A document that is clearly labeled as a "proposal," does not include signatures, or otherwise indicates that it does not represent a promise or contractual provision would typically not qualify as a documented promise, but there may be exceptions.[5] If there is disagreement between the vendor and the customer regarding the dollar value of the misrepresentation, the Agency will assess the evidence on both sides and make a determination.

Examples of Misrepresentations Potentially Covered in Phase III

- Misrepresentations about project costs
- Misrepresentations about pass-through REC incentives
    - Note that contractually-promised pass-through payments are already covered in Phases I and II; a Phase III pass-through claim would be a promise of an additional amount of pass-through REC incentive beyond what is contained in the customer-AV contract
- Unfulfilled promise to give the customer a particular good or service related to the solar project (such as free tree removal or a referral bonus)

Examples of Misrepresentations <u>Not</u> Covered in Phase III

- Misrepresentations about the customer's eligibility for the federal Investment Tax Credit ("ITC")

[5] Note that determining what constitutes a documented promise is highly fact-specific, and the Program Administrator will rely on a multitude of factors. The Program Administrator may also look to principles of contract law to determine whether a statement could reasonably have been understood as a promise.

    - Although misrepresentations about the federal ITC are a violation of Program requirements, the federal ITC is a federal incentive, and statements about the federal ITC are not directly related to the functioning of the Illinois Shines or Illinois Solar for All programs. In addition, determining a customer's actual versus promised eligibility for the federal ITC (for purposes of determining whether restitution is owed) would be a fact-intensive process that is beyond the scope of the Program Administrator's role.
- Unfulfilled promise to give the customer a good or service that is not inherently related to the solar project (for example, an unfulfilled promise of a free iPad would likely not be covered in Phase III)
- Misrepresentations about expected bill savings or expected project energy production
- Misrepresentations about the customer's solar loan that were made by the financing entity
    - One of the SRP eligibility requirements is that the harm arose from a vendor's violation of Program requirements. Because financing entities are not required to register with the Program, these entities are not subject to Program requirements and thus their actions cannot give rise to an SRP claim.
    - Note that misrepresentations about the customer's solar loan that were made by a solar vendor may be eligible for restitution.

If a Misrepresentation claim is determined to be eligible for restitution, the economic harm will be equal to the reasonable dollar value of the unfulfilled promise.

Questions for Stakeholder Feedback:

5. *Is the scope of misrepresentation that would and would not be eligible for Phase III restitution appropriate?*
6. *Should the Agency require documentation to support restitution claims based on misrepresentation? What types of documentation should be accepted?*
7. *If a misrepresentation involves a vendor promising, but not delivering, a good or service, how should the Agency determine the value of the good or service? Should the Agency require the customer to obtain one or more quotes from a third party?*

B. Rejected Project Applications

Some customers may have experienced economic harm because their project application was ultimately rejected from either Illinois Shines or Illinois Solar for All due to the vendor's error or failure to comply with Program or statutory requirements. For example, a vendor may have falsely promised that the project would be eligible for participation and that the customer would receive a REC incentive pass-through payment, but the project was either always ineligible for

participation or became ineligible due to action or inaction by the vendor. The Program Administrator will evaluate these situations on a case-by-case basis to determine whether the customer is eligible for restitution; however, the project rejection must have been the result of the vendor's violation of Program requirements, and the project must not be eligible to simply be reapplied through another Approved Vendor. Some other factors the Program Administrator may consider include the reason for project ineligibility and the customer's ability to protect themself against the vendor's actions or mitigate the harm.[6]

If a Rejected Project Application claim is determined to be eligible for restitution, the economic harm will be equal to the value of the benefit that the customer would have received had the project been successfully applied to the Program. In most cases, the Agency anticipates that this economic harm would be equal to one or more promised pass-through REC incentive payments.

Questions for Stakeholder Feedback:

8. *What feedback do stakeholders have regarding providing restitution for customers when the project is not eligible to participate in Illinois Shines or Illinois Solar for All? In what situations would restitution be appropriate or not appropriate?*
9. *Are there other types of harm that a customer could experience based on a project application being rejected, other than no longer receiving a promised pass-through incentive payment that may warrant providing restitution to those impacted customers?*

C. Non-functioning/Unfinished Solar Projects

Another category of restitution claims includes claims that the solar installation is not functioning properly. This type of claim may occur because the solar project was never fully installed, the installation is out of code or has failed inspection and is unable to achieve Permission to Operate ("PTO"), the installation was previously operational but has stopped working, or the system is operating but not functioning as expected. As the Illinois Shines and Illinois Solar for All programs do not incentivize the development of storage, the Agency does not intend to provide restitution for incomplete or non-functioning batteries associated with solar projects.

For these claims, the Program Administrator will still investigate to determine whether the problem is due to action or inaction of the installer and whether that action or inaction is a violation of Program requirements. Because most operational solar vendors work with customers to ensure that projects are functioning, the Program Administrator anticipates that the vast majority of these claims will arise for customers whose solar installer/vendor has gone out of business. However, there may be exceptions. For example, the Program Administrator has encountered situations in which the customer and vendor refuse to work with one another due to previous conflict, and the project is left incomplete. In these situations, the Program Administrator

[6] For example, if the customer was or should have been aware that the project would not be eligible and could have cancelled at that time, but instead chose to move forward, they may not be eligible for restitution.

may assess factors such as the customer's and vendor's conduct throughout the complaint process, the vendor's responsibility for the status of the project, and the best interests of the customer and the Programs. If the vendor is willing to fix the issue but the customer is not willing to work with the vendor, the Agency proposes that, at a minimum, the project would only be eligible if it is confirmed that either 1) the vendor caused property damage or created a safety hazard, or 2) the vendor's conduct was so egregiously unprofessional as to violate Program requirements for professional conduct. The Agency proposes that the Program Administrator may make case-by-case determinations on restitution eligibility.

If a claim for a Non-Functioning/Unfinished Solar Project is determined to be eligible for restitution, the SRP would cover the cost of repairs or re-installation so that the solar project functions properly. The Agency does not intend to provide restitution for lost energy production and related electric utility savings from the time period when the project should have been working.

Questions for Stakeholder Feedback:

10. *Should restitution be provided for non-functioning or incomplete solar projects?*
11. *How should the Agency determine the harm to the customer of a non-operational system?*
12. *If the solar project needs to be repaired, should the Agency require the customer to provide one or more quotes from third party vendors to document the cost?*
13. *If the original solar vendor is willing to fix a project, but the customer is not willing to have the original solar vendor complete the work, should the customer be eligible for restitution? Are the proposed requirements above appropriate?*

V. Determining Claim Payouts

The above claim types may require the Program Administrator to make at least three kinds of payout determinations: 1) the value of promised pass-through or other payments; 2) the value of a good or service; and 3) the difference between promised project costs and actual project costs. Note that all payout determinations are subject to applicable project and vendor caps, and must be based on direct economic harm to the customer, which will depend on the facts of the situation, including the underlying offer type (purchase, lease, Power Purchase Agreement).

The first type of payout determination applies if the customer's claim involves a vendor's promise of a certain amount of money (for example, the customer was promised, but did not receive, a referral bonus). For this payout determination, the Program Administrator will award the full value of the promise, which may be estimated if necessary.

The second type of payout determination applies if the customer's claim involves the value of a good or service. For example, the Program Administrator may need to calculate the value of a promised good or service as part of a Misrepresentation claim or the value of solar project repairs

as part of a Non-Functioning/Unfinished Solar Project claim. The Program Administrator may collect information about the market rate for that good or service and may require the claimant to obtain one or more third-party quotes. Based on the information collected, the Program Administrator will make a determination about the proper payout for the promised good or service.

The third type of determination applies if there was a misrepresentation about project costs. The customer will be eligible for the difference between the promised cost and the actual cost of the project. In some situations, the harm may be ongoing—for example, if the vendor promised that a monthly lease payment would never increase and the contract actually included an escalation clause.

The Agency is considering several options for determining payout for future anticipated economic harm for misrepresentations of ongoing project costs:

Option 1: The SRP would not provide any restitution for future harm. Customers could still apply for restitution for higher costs that have already been realized. This option would reduce the complexity of the claim analysis and potentially speed up claim processing, but it would result in less restitution to customers. In addition, there's potential unfairness where customers who file their claim later in the life of their project would be eligible for more retroactive savings restitution than customers who file their claim earlier in the life of their project.

Option 2: The SRP would provide full restitution for past and future harm, if applicable, at the time the claim is filed. In order to calculate future harm, the Program Administrator may need to rely on estimates of future costs in some situations. This option provides the most restitution to customers, but may result in some customers being over- or under-compensated.

Option 3: The SRP would only provide restitution for harm that has been realized at the time the claim is filed, but would permit customers to file additional restitution claims in the future to receive restitution for losses incurred in the time between the first, second, and subsequent restitution claims. This option would reduce the complexities and uncertainties associated with estimating future costs, and would ensure restitution funds are only used for realized economic harm (thus protecting remaining funds for other potential claimants), but would increase administrative complexities for both customers and the Program Administrator.

Questions for Stakeholder Feedback:

14. How should the Agency determine the value of restitution claims?

15. *How should the Agency handle claims that include ongoing or future harm? Which of the proposed options is preferable? Are there other options for handling ongoing or future harm?*

VI. Other Considerations

The Agency is also considering what steps would be appropriate to prevent or discourage any "gaming" of the SRP, such as collusion between a vendor or sales agent and customer to submit a fabricated claim. The 2026 Long-Term Plan explains that the Program will not automatically suspend an Approved Vendor or Designee if their conduct leads to a restitution program payment. However, the Agency believes it may be appropriate for the Program Administrator to be able to consider likely or actual restitution payments when determining a response to a confirmed Program violation. This may help to discourage "gaming." In addition, the Agency intends to establish that any attempt to defraud the SRP would itself be a Program violation, and that SRP claims may be denied if there appears to be collusion or other attempts at "gaming."

Questions for Stakeholder Feedback:

16. *What actions should the Agency take to prevent and/or discourage "gaming" of the SRP?*
17. *Should the Program Administrator consider actual and/or likely restitution claims or payments when determining a response to a confirmed Program violation?*