



ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY  
Rod Blagojevich, Governor • Jack Lavin, Director

**RENEWABLE ENERGY RESOURCES  
SOLAR THERMAL ENERGY  
INCENTIVE PROGRAM**

**APPLICATION GUIDELINES  
FISCAL YEAR 2008**

**Submittal Deadline 4:30 p.m. Friday, May 2, 2008**

**ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY  
BUREAU OF ENERGY AND RECYCLING  
RENEWABLE ENERGY DEVELOPMENT SECTION  
620 EAST ADAMS STREET  
SPRINGFIELD, ILLINOIS 62701**

## SECTION 1:

## GENERAL INFORMATION

**1.1 PURPOSE.** The Illinois Department of Commerce and Economic Opportunity (the “Department” or “DCEO”) administers the Renewable Energy Resources Program (“RERP”) to encourage utilization of renewable energy and support economic development in the state of Illinois. The RERP will, to the extent funds are available, fund projects focused on increasing the utilization of alternative energy technologies in Illinois.

The RERP will not fund projects outside the state of Illinois. In addition, if the applicant’s electric or gas utility does not impose a Renewable Energy Resources and Coal Technology Development Assistance Charge as defined in 20 ILCS 687/6-5, the applicant will not be eligible for RERP funding under this program.

**1.2 AUTHORITY AND FUNDING.** The Department is authorized by the Renewable Energy, Energy Efficiency, and Coal Resources Development Law of 1997 (20 ILCS 687/6-1 *et seq.*) to administer the state’s Renewable Energy Resources Program. The funding source for this program is the Renewable Energy Resources Trust Fund.

**1.3 DEFINITIONS.** The terms used in this document have the meanings set forth below. Words and terms not defined here, if defined in the Environmental Protection Act (415 ILCS 5) will have the meanings as defined therein.

“Act” means the Public Utilities Act.

“Applicant” means (i) an Illinois unit of state or local government, association, public or private school, college or university, (ii) a not-for-profit organization or private company licensed to transact business in Illinois, or (iii) individual(s) proposing a renewable energy project in Illinois.

“Applicant Investment” means the amount of funds that the incentive recipient will be obligated to contribute to the project, including, but not limited to, all personal contributions, other private financial partners or contributors, and any public funds received, excluding funds received under the RERP Program, or anticipated to be received by the applicant. The applicant investment must be a sum no less than 70 percent of total project cost.

“Application” means a request for RERP funds by submitting the required information, on the Department’s approved forms and attachments as prescribed in these guidelines.

“Entity” means any applicant submitting an application to the Department.

“Fuel Cell” means a device without moving parts that uses the chemical energy in hydrogen and oxygen to produce electricity.

"Incentive Beginning Date" means the date the incentive recipient may begin to incur costs against the agreement.

"Incentive Recipient" means an entity that has been awarded RERP funds.

"Hydropower" means generating electricity by conversion of the energy of running water.

"Installer" means a licensed, bonded, and insured contractor authorized to conduct business in the state of Illinois.

"Performance Period" means the length of time the incentive recipient is required to operate the project and submit information/data to the Department.

"Photovoltaic Cells and Panels" means semiconductor materials that convert sunlight directly to electricity. These components are part of a photovoltaic system.

"Photovoltaic System" means a stationary ground, roof, or wall mounted system. Furthermore, a photovoltaic system shall consist of photovoltaic cells and panels, inverters, mounting systems, associated wiring, and devices used to protect the system. Batteries and other electrical storage devices are not included as part of the system and may not be used as a matching contribution on the part of the incentive recipient.

"Project" means an eligible renewable energy resources project that the Department agrees to fund through the RERP.

"Project Commencement Date" means the date that all necessary procurement is complete, equipment is installed and operational and all project tasks have been started. The project commencement date may not exceed nine months after the incentive beginning date.

"Proprietary, Privileged or Confidential Commercial Information" means any process or design exclusively owned under trademark, patent or in the process of becoming patented, or other information that falls within an applicable exemption under the Illinois Freedom of Information Act (5 ILCS 140/1 *et seq.*).

"Renewable Energy" means energy from wind, solar thermal energy, photovoltaic cells and panels, dedicated crops grown for energy production and organic waste biomass, hydropower that does not involve new construction or significant expansion of hydropower dams, and other alternative sources of environmentally preferable energy. Renewable energy does not include, however, energy from the incineration, burning or heating of waste wood, tires, garbage, general household, institutional and commercial waste, industrial lunchroom or office waste, landscape waste, or construction or demolition debris.

“Solar Thermal Energy” means rooftop or ground-mounted panels to collect and transfer heat for space heating and cooling, water heating, and electric generation.

## **SECTION 2: INCENTIVE ELIGIBILITY CRITERIA**

**2.1 PROJECT LOCATION.** Eligibility is limited to projects physically located in the state of Illinois.

**2.2 CUSTOMER OF PARTICIPATING UTILITY REQUIREMENT.** An applicant must be a customer within the service area of an investor-owned electric or gas utility or a municipal gas or electric utility or electric cooperative that imposes the Renewable Energy Resources and Coal Technology Development Assistance Charge as defined in 20 ILCS 687/6-5 and listed in Appendix A.

**2.3 ELIGIBLE PROJECTS/EQUIPMENT.** Eligibility is limited to project costs for the purchase and installation of renewable energy generation equipment, and related metering components as appropriate, of the following types:

2.3.1 The Department may support any new solar thermal energy system over \$50,000 in total cost that has been approved by the Solar Rating and Certification Corporation or a comparable organization.

2.3.2 Related to an approved project per 2.3.1, the Department may support a renewable energy metering experiment designed to collect energy consumption data both before and after the installation of the renewable energy equipment so that the specific actual energy savings associated with the project may be known and made available to the public.

2.3.3 Should sufficient funding be available the Department may entertain applications for other types of environmentally preferable renewable energy such as fuel cells, hydropower, photovoltaic cells and panels, and wind energy. An application may not be submitted under Section 2.3.3 without the express written approval of the Department.

**2.4 INELIGIBLE PROJECTS AND COSTS.** The following projects are not eligible for funding under these guidelines: projects located outside the state of Illinois, projects that have applied for funding through other guidelines under the Department’s Renewable Energy Resources Program, projects involving the installation of renewable energy equipment at single-family residences or energy projects involving the incineration, burning or heating of waste wood, tires, garbage, general household, institutional and commercial, industrial lunchroom or office waste, landscape waste, or construction or demolition debris.

2.4.1 Multiple projects may not be aggregated into a single application under these guidelines without the express written approval of the Department.

- 2.4.2 Incentive funds may not be requested or expended for project expenses incurred prior to the beginning date of the DCEO incentive agreement. In addition, expenses incurred prior to the beginning date of the DCEO incentive agreement may not be used to meet the applicant investment requirement.

**2.5 MAXIMUM INCENTIVE AWARD AND REQUIRED APPLICANT INVESTMENT.**

The Department may provide up to, but not more than, an incentive award equal to 30 percent of eligible project costs per project, with a maximum incentive amount of \$400,000. Funding decisions are made as funding is available and the Department is not obligated to provide the maximum incentive amount. The Department reserves the right to review applications and negotiate lower incentive amounts.

- 2.5.1 The minimum Applicant Investment required is 70 percent of eligible project costs.

- 2.5.2 The Director reserves the right and may elect to waive the maximum incentive limitation upon a finding that such waiver is appropriate to accomplish the purpose of the Renewable Energy Resources Program. The Director has the authority to implement pilot projects under this RFA.

**2.6 LEGAL COMPLIANCE.** The applicant must certify on the application cover page that the project complies with all applicable state, federal, and local environmental and zoning laws, ordinances, and regulations and that all permits, licenses, etc., required to perform the project have either been obtained or will be obtained no later than 180 days following the incentive beginning date.

**2.7 ENVIRONMENTAL APPROVALS.** Funded projects will be subject to review by the following Illinois agencies: Departments of Natural Resources, Historic Preservation, Agriculture, and the Illinois Environmental Protection Agency. Incentive recipients will be required to comply with requirements established by said agencies relative to their respective reviews. Incentive recipients will be responsible for coordinating directly with the applicable agencies. Any requirements must be communicated to the Department and shall be incorporated into the incentive agreement awarded as of its execution date, or if received from the applicable agency subsequent to execution, as an addendum to the incentive agreement. Incentive recipients will be contractually obligated to comply with such requirements. Prior to notification of compliance by the applicable agency, incentive recipients may request disbursement of funds only for the following purposes: administrative, contractual, legal, engineering or architectural/engineering costs incurred that are necessary to allow for compliance by the incentive recipients with requirements established by the external agency. Funds will not be disbursed for any activity that physically impacts the project site until the Department receives the appropriate approvals from the applicable agencies.

**2.8 INSTALLER REQUIREMENTS.** An installer of the renewable energy system must be licensed to transact business in the state of Illinois and maintain appropriate

types and levels of insurance coverage.

### **SECTION 3: PROGRAM INFORMATION**

**3.1 PAYMENT SCHEDULE.** The incentive agreement will specify the conditions of payment and the payment schedule. The Department reserves the right to determine the appropriate payment structure, including a grant award or advance payment for energy production, on a project specific basis.

**3.2 REPORTING REQUIREMENTS/PROJECT MONITORING.** Incentive recipients will be required to submit quarterly progress and expenditure reports in accordance with the requirements of the incentive agreement. The Department reserves the right to structure reporting requirements on a project specific basis. The Department project manager will monitor the incentive recipient's compliance with the terms of the incentive agreement.

**3.3 JOB CREATION/RETENTION REPORTING.** Incentive recipients will be required to submit reports documenting the number of jobs created, retained or lost during the course of the agreement term as a result of the project.

**3.4 INCENTIVE DURATION/PERFORMANCE PERIOD.** The incentive term/performance period will be determined on a project specific basis. Incentive recipients will be required to certify the project commencement date through a site visit or other means deemed acceptable by the Department. The agreement may require performance data for 12 months or longer following the project commencement date.

**3.5 OWNERSHIP/USE OF EQUIPMENT.** The incentive agreement will specifically prohibit the sale, lease, transfer, assignment, or encumbrance of any equipment or material purchased with incentive funds, without the express written approval of the Department for the duration of the incentive term. In the event of an incentive recipient's failure to comply with this requirement, the incentive agreement will provide that the Department may, at its discretion, require the incentive recipient to return all incentive funds provided by the Department, require the incentive recipient to transfer to the state ownership of equipment and material purchased with incentive funds and bar the incentive recipient from consideration for future funding. The Department reserves the right to require the incentive recipient to give it a purchase money security interest in equipment purchased with incentive funds for the duration of the incentive term.

**3.6 DISSEMINATION OF INFORMATION/TECHNOLOGY TRANSFER.** The incentive recipient will be contractually required to allow the Department access to the project site and to obtain, publish, disseminate, or distribute any and all information obtained from the project (except any data or information that has been negotiated as being confidential or proprietary), without restriction and without payment or compensation by the Department. Incentive recipients must permit any agent authorized by the Department, upon presentation of credentials during normal business hours, access to the renewable energy project site subject to the incentive agreement.

**3.7 FREEDOM OF INFORMATION ACT/CONFIDENTIAL INFORMATION.** Funded applications are subject to disclosure, in response to requests received under provisions of the Freedom of Information Act (5 ILCS 140/1 et seq.). Information that could reasonably be considered to be proprietary, privileged or confidential commercial or financial information should be identified as such in the application. The Department will maintain the confidentiality of that information only to the extent permitted by law. If the applicant has a special need to maintain the confidentiality of proprietary or privileged information, please attach a supplemental letter of explanation.

**3.8 PREVAILING WAGE REQUIREMENTS.** Prevailing Wage Act (820 ILCS 130/0.01 et seq.). All projects for the construction of fixed works which are financed in whole or in part with funds provided by this agreement are subject to the Prevailing Wage Act (820 ILCS 130/0.01) unless the provisions of that Act exempt its application. In the construction of the project, the incentive recipient must comply with the requirements of the Prevailing Wage Act, including, but not limited to, inserting into all contracts for such construction a stipulation to the effect that not less than the prevailing rate of wages as applicable to the project must be paid to all laborers, workers and mechanics performing work under the contract and requiring all bonds of contractors to include a provision as will guarantee the faithful performance of such prevailing wage clause as provided by contract.

**3.9 STATE NOT LIABLE.** Incentive recipient holds the state of Illinois harmless from any and all claims, demands, and actions based upon or arising out of any services performed by the incentive recipient or by their agents or employees under an incentive agreement. The Department, by entering into an incentive agreement, does not pledge or promise to pledge the assets of the state nor does it promise to pay any compensation to the incentive recipient from any moneys of the treasury or the state except such moneys as are appropriated and paid to the incentive recipient by the Department.

**3.10 INDEMNITY.** The incentive recipient agrees to assume all risks of loss and to indemnify and hold the Department, its officers, agents, and employees harmless from and against any and all liabilities, demands, claims, damages, suits, costs, fees, and expenses, incidents thereto, for injuries or death to persons and for loss of, damage to, or destruction of property because of the incentive recipient's negligence, intentional acts or omissions. In the event of any demand or claim, the Department may elect to defend any such demand or claim against the Department and will be entitled to be paid by the incentive recipient for all costs and damages.

**3.11 INSURANCE.** The incentive recipient must provide Workers' Compensation Insurance or the same, as required, and accepts full responsibility for the payment of Unemployment Insurance, premiums for Workers' Compensation, Social Security, and retirement and health insurance benefits, as well as all income tax deductions required by law for its employees who are performing services specified by the incentive agreement.

**3.12 RETURN OF FUNDS.** The incentive recipient must return to the Department any and all funds that are determined by the Department to have been spent in violation of the incentive agreement.

#### **SECTION 4: APPLICATION PROCESS**

**4.1 RENEWABLE ENERGY INCENTIVE APPLICATION.** Renewable energy incentive applications must be printed or typed on the Department's current approved forms included with these guidelines. The Department will not accept faxed or electronically submitted applications.

4.1.1 Each application submitted under these guidelines must include all of the information required in the incentive application documentation set forth in the Appendices.

4.1.2 Applications under this program will be accepted on an ongoing basis through May 2, 2008, subject to funding availability.

4.1.3 The Department will accept applications at the following address:

Illinois Department of Commerce and Economic Opportunity  
Bureau of Energy and Recycling  
Attention: William S. Haas  
James R. Thompson Center  
100 W. Randolph, Suite 3-400  
Chicago, IL 60601  
312/814-4763

**4.2 GENERAL REVIEW AND EVALUATION.** The Department will review and evaluate applications in the order in which they are received and incentives will be awarded as funding is available. Applications will first be reviewed to determine eligibility and completeness as specified under Section 2 and Section 4.1. Ineligible or otherwise incomplete applications will be immediately rejected and returned to the applicant. When the available funding is limited, project applications under simultaneous review will be evaluated competitively. Satisfying the General Review and Evaluation requirements confers no rights upon the Applicant.

**4.3 EVALUATION CRITERIA.** Evaluation criteria have been developed to assist the Department in identifying those projects that display the most potential for achieving the goals and objectives of the Renewable Energy Resources Program. Applications satisfying the requirements of Section 2 and Section 4.1 will be evaluated on the basis of the following criteria:

4.3.1 Overall quality of the application including measurable project goals, tasks and activities, a well developed work plan, and easily identifiable deliverables.

- 4.3.2 Likelihood of actual project development, potential to accomplish defined objectives, technical feasibility, and replicability within the state of Illinois.
- 4.3.3 Potential for the project to further encourage the utilization of renewable energy and support economic development in the state of Illinois through job creation, business development, and economic development.
- 4.3.4 Cost-effectiveness through energy saved per incentive dollar spent.
- 4.3.5 Capability of the applicant including previous experience and additional professional resources available.
- 4.3.6 Other criteria as determined by the Department to be in the best interest of the state of Illinois.

**4.4 REJECTION OF APPLICATIONS.** The Department reserves the right to reject any application. The submission of an application under these guidelines confers no right upon any applicant. The Department is not obligated to award any incentives under this program, to pay any costs incurred by the applicant in the preparation and submission of an application, or pay any incentive related costs incurred prior to the incentive beginning date.

## APPENDIX A

### Illinois Department of Commerce and Economic Opportunity Solar Thermal Incentive Program Application Cover Page

**Applicant Information:**

Applicant name	FEIN (SSN if individual)
Applicant address (include 9 digit zip code)	County
Project address (if different from above)	County
Telephone number	Fax number
Applicant project manager	Title
E-mail address	Web site address

**Verification of Renewable Energy Resources and Coal Technology Development Assistance Charge:**

If the applicant's electric or gas utility is listed below and if the applicant is a current customer of one of those utilities at the address indicated above, please provide a copy of a recent bill. If your utility is not listed below, or if you are a customer at a different address, please attach a letter from your utility stating that the applicant is serviced by an investor-owned/municipal gas or electric utility of electric cooperative that imposes the Renewable Energy Resources and Coal Technology Development Assistance Charge as defined in ILCS 687/6-1 *et seq.* **The Department will verify this information before issuing an incentive to the applicant.**

FOR GAS DISTRIBUTION	FOR ELECTRIC DISTRIBUTION
Alliant-Interstate	Ameren CILCO
Ameren CILCO	Ameren CIPS
Ameren CIPS	Ameren IP
Ameren IP	Ameren UE
Ameren UE	Commonwealth Edison Company
American Energy Company	Corn Belt Energy Cooperative
Consumers Gas Company	Illinois Rural Electric Cooperative
Illinois Gas Company	Interstate Power Company
Nicor Gas Company	Jo-Carroll Energy
North Shore Gas Company	Mid American Energy Company
South Beloit Water, Gas and Electricity Company	Rural Electric Convenience Cooperative
The Peoples Gas, Light & Coke Company	South Beloit Water, Gas and Electricity Company
United Cities Gas Company	

## APPENDIX A: (cont.)

### System Information:

Make and Model	SRCC Certification Number
Area per Collector (square feet)	Total Number of Collectors
Warranty Period	Year of Manufacture
Proposed Date of Purchase	Proposed Date of System Installation
Name, Address, and Telephone Number of the Installer	
License number, proof of insurance, and bonding of the Installer	

### Type of Project:

- Solar Thermal  
 Other Renewable Project (specify): \_\_\_\_\_

### Job Creation/Retention:

Jobs Directly Related to Project: Created: \_\_\_\_\_ Retained: \_\_\_\_\_

### Organization Legal Status:

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Individual                    | <input type="checkbox"/> Not For Profit Corporation | <input type="checkbox"/> Nonresident Alien                           |
| <input type="checkbox"/> Sole Proprietor               | <input type="checkbox"/> Tax Exempt                 | <input type="checkbox"/> Medical Corporation                         |
| <input type="checkbox"/> Partnership/Legal Corporation | <input type="checkbox"/> Governmental               | <input type="checkbox"/> Pharmacy-Noncorporate                       |
| <input type="checkbox"/> Corporation                   | <input type="checkbox"/> Estate or Trust            | <input type="checkbox"/> Pharmacy/Funeral Home/Cemetery/ Corporation |

**Legislative Districts For Project Address:** (view <http://www.elections.il.gov/DistrictLocator/>)

US Representative: \_\_\_\_\_ State Senate: \_\_\_\_\_ State Representative: \_\_\_\_\_

### Financing Information:

Total incentive request	\$ _____
Total estimated energy production (therms) of the project per year following the project commencement date (include calculations in applications)	therms _____
Total value of the Department support request divided by the estimated energy production per year, as expressed in dollars per therm or equivalent (include calculations in applications)	\$/therm _____
Total project cost	\$ _____
Total applicant investment (dollars)	\$ _____
Sum of financial partner investment (dollars)	\$ _____
Sum of other public funds	\$ _____
Sum of other investment sources	\$ _____

## APPENDIX A: (cont.)

### Applicant Certifications:

Applicant hereby certifies that:

- All authorizations required to perform the project, described in its application, have either been obtained or will be obtained no later than 180 days following the incentive start date set forth in the Notice of Incentive Award issued by the Department.
- The project complies with all applicable state, federal, and local environmental and zoning laws, ordinances, and regulations and that all required licenses, permits, etc., have either been obtained or will be obtained no later than 180 days following an incentive award by DCEO.
- It is not in violation of the prohibitions against bribery of any officer or employee of the state of Illinois as set forth in 30 ILCS 505/10.1.
- It has not been barred from contracting with a unit of state or local government as a result of a violation of Section 33E-3 or 33E-4 of the Criminal Code of 1961 (720 ILCS 5/33 E-3 and 5/33 E-4).
- It is not in violation of the Educational Loan Default Act (5 ILCS 385/3).
- It has not submitted this project for funding under the Department's Renewable Energy Resources Rebate Program.
- As of the submittal date, the information provided in its application is accurate, and the individuals signing below are authorized to submit this application.

\_\_\_\_\_  
Authorized Official (signature)

\_\_\_\_\_  
Applicant Project Manager (signature)

\_\_\_\_\_  
Typed/Printed Name

\_\_\_\_\_  
Typed/Printed Name

\_\_\_\_\_  
Title and Date

\_\_\_\_\_  
Title and Date

**APPENDIX B**  
Illinois Department of Commerce and Economic Opportunity  
Solar Thermal Incentive Program  
Documentation Outline

All applicants shall include the following documentation:

- A brief history of the applicant including its legal organization and, if applicable, a list of the board of directors. (1 page maximum)
- A summary description of the project including background information, location, current status, and overall objectives. (2 pages maximum)
- A description of the proposed renewable energy system including the system size, components and materials, estimated annual production, and any applicable calculations. (2 pages maximum)
- A brief description of the merits of the project per the evaluation criteria provided in Section 4.3 of the application guidelines. (2 pages maximum)
- A description of the project budget identifying all costs eligible for incentive reimbursement. (1 page maximum)
- A detailed statement of work including tasks and deliverables. (2 pages maximum)
- A detailed timetable for project development including activities, deliverables and applicable milestones if applicable. (1 page maximum)
- A description of the pertinent experiences of the applicant and project participants and additional professional resources and support available to the applicant. (1 page maximum)
- The name, address, license number, and proof of insurance of the renewable energy system installer. (1 page maximum)

## APPENDIX C

### Illinois Department of Commerce and Economic Opportunity Solar Thermal Incentive Program Proposed Project Costs

**Summary:**

	Total Costs	Applicant Investment	Contributions From Other Sources	State Funding Requested
<b>A. Purchase of Services:</b>				
<b>B. Equipment/Materials:</b>				
<b>Total:</b>				
<b>Percent of Total:</b>	<b>100%</b>			

**Purchase of Services:** (For the installation of renewable energy generation equipment list all applicable costs for design, construction, repair, or maintenance, and fees for legal, financial, or artistic services. All subcontracts must be explained in detail, include the license number and address of the subcontractor, and be attached to the end of this section.)

	Total Costs	State Funding Requested
1. _____	\$ _____	\$ _____
2. _____	\$ _____	\$ _____
3. _____	\$ _____	\$ _____
4. _____	\$ _____	\$ _____
5. _____	\$ _____	\$ _____
6. _____	\$ _____	\$ _____
<b>Subtotal</b>	<b>\$ _____</b>	<b>\$ _____</b>

**Equipment/Materials:** (Lists all items of equipment to be purchased valued greater than \$100.)

	Total Costs	State Funding Requested
1. _____	\$ _____	\$ _____
2. _____	\$ _____	\$ _____
3. _____	\$ _____	\$ _____
4. _____	\$ _____	\$ _____
5. _____	\$ _____	\$ _____
6. _____	\$ _____	\$ _____
<b>Subtotal</b>	<b>\$ _____</b>	<b>\$ _____</b>

**APPENDIX C: (cont.)**

**Financial Partners and All Other Sources of Investment:** (Specify in reasonable detail including phone number, contact person and address.)

	<b>Total Investment</b>
1. _____ _____	\$ _____
2. _____ _____	\$ _____
3. _____ _____	\$ _____
	<b>Subtotal</b> \$ _____
	<b>Project Total</b> \$ _____
	<b>State Funds Requested</b> \$ _____

Attach additional budget pages if necessary.

**Financial Partnerships and Other Investment Sources, Letter or Guidelines:**

Provide letters from each financial partner or funding entity indicating the amount of their support and the project commencement date expected for their partnership.

In the event of funding by private foundations or public sources, if such a letter is not yet available, indicate the anticipated source (USDA program name, etc.) and supporting documentation or guidelines for the anticipated source.