



Executive Summary Finance Committee Meeting

DATE: June 11, 2026

TOPIC: Solar on Earth Partnership for a Community Solar Agreement

PREPARED BY: Courtney Whited

Recommended for:

- Action
- Discussion
- Information

Purpose/Background:

The District Legal Counsel has reviewed this program offer. The following guidance was provided:

“Illinois Shines”, which is referenced in item #2 of the sample SunCentral agreement, is the Adjustable Block Program that was created under the Future Energy Jobs Act in Illinois a few years ago. Essentially, it is an incentive program to encourage the creation of solar projects in Illinois.

Under this program, a utility is required to issue bill credits to MUSH (municipalities, universities, schools, hospitals) for generated solar electricity under these community solar projects, and the state program provides for reimbursement.

The agreements are structured where the District commits to subscribe to purchase credits generated by a portion of the electric generating capacity of a renewal generation facility (solar) that a solar developer is constructing. The term is for a lengthy period of time (10-20 years) after the facility begins operation, possibly followed by automatic renewals. These are not a Power Purchase Agreement, but an **agreement to purchase bill credits**. The District can still negotiate the purchase of electricity from another provider with the utility still being the delivery network.

The “discount” that districts end up receiving is based on how the bill credit calculation is structured. There are no SD74 calculations yet, because they have not built the agreement which will be based on estimated usage and the nature of whatever solar project SD74 ends up subscribed to.

In short, the calculation typically works as follows:

The utility calculates a district's ordinary bill amount, including kWh usage, delivery charges, taxes and fees;

On that bill, SD74 receives credits in the amount of 100% of the production of the solar facility as measured at the facility's delivery meter (once it starts operation); and 60-90 days later, the District gets billed for 80%-90% of the cost of those credits (depending on the deal, Pivot or Sunvest).

There are quite a few moving parts to this, and the credits and the billed amounts are not going to show up on the same invoice. However, the Adjustable Block Program is legitimate. Once Solar On Earth has the District's usage information, they can shop it around with the different solar developers who have multiple projects in the works. From there, they can allocate capacity as it is becoming available. They can either put SD74 into one project, or split SD74's usage into multiple projects. Of course, participation ultimately depends on whether the project(s) SD74 ends up subscribed to **actually get built and become commercially operational**.

Fiscal Impact:

A potential long-term savings on electricity costs

Recommendation:

The Finance Committee concurs with the Administration's recommendation to the Board of Education to commit to entering into a Community Solar Agreement led by Solar on Earth for potential long-term savings on electricity bills.