

Illinois Distributed Generation Rebate



Behind-the-Meter Solar and Storage Opportunities with Stem

The Illinois Distributed Generation Rebate (DG Rebate) is a new incentive program for solar and storage that launched in early 2023. The goals of the DG Rebate program are to catalyze renewable energy deployment in IL and ensure those resources provide maximum value to the grid when they are most needed.

With levels of \$250/kW for solar and \$250/kWh for storage, the DG Rebate may cover as much as 50% of the cost of deploying distributed solar and storage. Additional incentives, such as the Federal ITC, and revenues from coincident peak reduction and wholesale market participation make solar and storage an attractive investment for C&I customers in IL.

Mitigate Coincident Peaks and Participate in Wholesale Markets

Illinois is an attractive market for energy storage because its largest utility, ComEd, is part of the PJM wholesale electricity market. As a result, C&I customers in ComEd are exposed to coincident peak (CP)-based charges. BTM energy storage systems can reduce CP costs by discharging energy during times when the PJM grid is most stressed, aka the coincident peak hours. BTM storage can also participate in the PJM wholesale power markets by reducing load at the customer site in response to market signals from PJM. The combination of these two strategies - CP reduction plus wholesale market participation - offers a diverse revenue mix at a level substantially higher than observed in most other BTM storage markets.

Stem's Services

- CP forecasting and management
- Energy storage project design and modeling
- Energy storage procurement
- End-to-end installation & operation
- Co-optimization of multiple value streams: transmission & capacity CP reduction, demand response based wholesale market participation, and utility bill optimization

Location



Best-fit Customers

- Large retail, warehouse & logistics, data centers, industrial & manufacturing, universities, and hospitals
- Sites with >1000kW load from 4-8pm during summer months

Best-fit Utility Territories

- ComEd

Tariff

- Customers must be on a CP-based tariff, usually by purchasing energy from a Retail Energy Provider (REP)

System Size

- 2+ MWh
- 2 hour batteries have better ROI than 4 hour batteries

Why Partner with Stem?

Stem is a C&I storage leader that helps with all elements of adopting energy storage and participating in CP-based wholesale markets like PJM. We work with the largest utilities, Fortune 500 companies, project developers, solar EPCs, and asset owners to manage the process of designing, procuring equipment, deploying, and operating storage systems. We offer integrated, end-to-end support as you add storage to your standalone, community solar, or commercial behind-the-meter projects.

With new policies emerging in states and utilities across IL, you need a solution that can adapt and keep your project deriving value over its lifetime – whether that means participating in new demand response programs, maximizing wholesale market revenues, or co-optimizing multiple value streams. Stem holds an advantage in entering this territory because our experts understand the complexity of the value stack and CP mitigation, which requires the type of forecasting that only a leader like Stem can deliver. Stem's experts will guide you through wholesale market participation, ancillary services, and frequency regulation programs and will determine and optimize your storage systems for the most efficient operation. We can do so within the context of local tariffs and ensure that your demand charges do not increase.

Our best-in-class Athena® smart energy software drives success under this framework by having the most experience in demand response and market participation of any commercial storage software, ensuring that you get the most value possible out of new revenue streams. Athena is able to co-optimize multiple value streams including transmission & capacity CP reduction, demand response based wholesale market participation, and utility bill optimization.

To learn more about Stem's solutions in Illinois, contact stem.com/illinois.

