

# SRECs Explained



## What are Solar Renewable Energy Credits?

Solar Renewable Energy Credits (SRECs) are credits homeowners receive for producing solar energy that can be sold to a utility company. A homeowner earns one SREC for every 1,000-kilowatt hours (kWhs) produced by their solar panels.

SRECs exist as a result of a regulation known as the renewable portfolio standard (RPS). Renewable portfolio standards are state laws that require utility companies to produce a specific percentage of their electricity from renewable resources. Illinois is required to source 25% of its energy from renewable sources by 2025.

Utility companies that do not meet renewable energy targets set under the RPS can purchase SRECs from homeowners with solar systems, taking credit for the power they produce, while homeowners benefit from the value.

## How much are SRECs worth?

The Illinois Power Agency establishes SREC prices. The number of SRECs a home solar system will produce over 15 years depends on the size of the system, the position of the panels on the home relative to the sun, shading, and a few other factors. The price of SRECs declines as more solar systems are installed. If you want to take advantage of the largest incentive available, it's time to go solar NOW.

### Here's an example of a standard residential system

System Size	<b>7.4 kWdc</b>
Est. production over 15 years	<b>126 MWh</b>
Est. SRECs produced	<b>126 SRECs</b>
Price per SREC	<b>\$72.97</b>
Total SREC value over 15 years	<b>\$9,194*</b>
Less 9% aggregator** fee	<b>\$(827)</b>
<b>Net Incentive Value</b>	<b>\$8,367</b>

\* 10% of value withheld as collateral for underproduction and refunded in year 15

\*\* Aggregator fee - reporting & management of SRECs over 15 years