

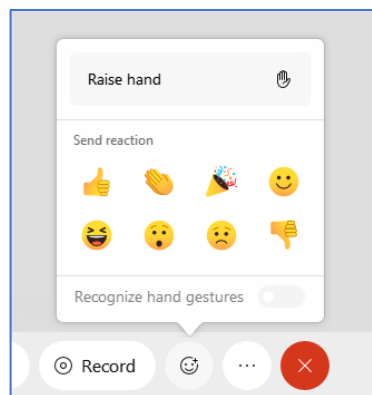


# **Long-Term Renewable Resources Procurement Plan Update**

Workshop 2  
July 7, 2021

- **Prior Workshop (June 25, 2021)**
  - RPS Budget, Plan Development Process, Utility-Scale, Diversity & Equity
  - Recording available, requests for comment issued ([www.illinois.gov/ipa](http://www.illinois.gov/ipa))
- **Today:**
  - Adjustable Block Program (emphasis on distributed generation)
  - Illinois Solar for All Program
- **Next Workshop**
  - **Workshop 3: Tuesday, July 13, 2021; 1 pm – 4 pm**
    - Community Solar
    - REC Pricing
- **Written requests for stakeholder feedback will follow after workshops**

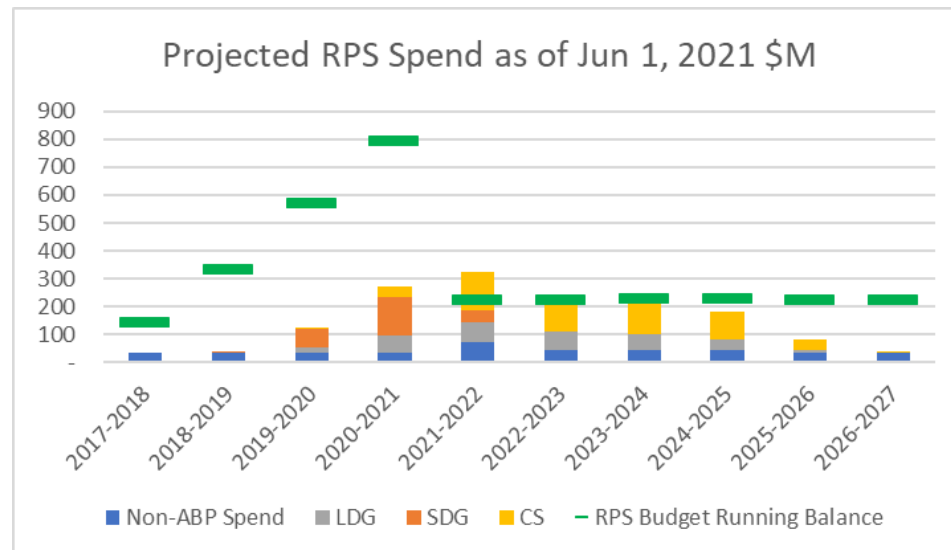
- **This workshop is being recorded**
  - The presentation and the recording will be posted on the IPA website
- **To ask question or make a comment, use the “Q&A” option on the lower right of your screen.**
  - All participants are on mute to reduce background noise.
  - When submitting questions or comments, please select “All Cohosts”
  - If you would like to clarify a question or comment you have made, you can use the “Raise Hand” feature which can be found either next to your name in the participants list or under the emoji icon at the bottom of your screen to request to speak. When this feature is used, the host will unmute you so you can speak. Once you are finished, please make sure to mute yourself.



- **Adjustable Block Program**
  - Impact of budget constraints on timing of future blocks
  - Block structure
  - Industry structure and business models
  - Project financing models and program requirements
  - Project application requirements
  - System design standards and consumer disclosure
  - Consumer protections
  - Consumer education/program information
- **Break**
- **Illinois Solar for All**
  - Low-Income Distributed Generation sub-program
  - Non-profit/Public Facilities sub-program
  - Low-Income Community Solar sub-program
  - Project selection process
  - Job training requirements
  - Grassroots Education

# Adjustable Block Program

- **Scope of Program changes proposed in Plan revision may be limited until RPS funding is addressed through legislation**
- **Absent legislative changes, significant delays until funds will be available again to support new program and procurement activities**
  - Adjustable Block Program on hold, projects remain on waitlists



- Current Waitlists
  - 8.2 MW (995 projects) Small DG Group A
  - 19.5 MW (3,070 projects) Small DG Group B
  - 13.7 MW (132 projects) Large DG Group A
  - 30 MW (491 projects) Large DG Group B
  - 695.1 MW (356 projects) Community Solar Group A
  - 602.7 MW (303 projects) Community Solar Group B

# Changes to ABP in Draft Legislation\*



- **New Long-Term Plan Developed within 120 days of passage**
- **Changes to RPS budgeting**
  - From 2.015% of 2007 rates to 4.25% of 2009 rates
  - Additional flexibility to utilize funds collected from ratepayers across delivery years
  - Provisions for exceeding budget in 1-75(c)(1)(E-5)?
- **Pre-Plan approval activities**
  - **Opening most ABP blocks within 90 days**
    - Block opening size varies by category (10 MW to 75 MW)
    - Waitlisted projects prioritized
    - Agency endeavoring to have new REC delivery contracts prepared by reopening date
  - **Community solar waitlist sorting**
    - 250 MW total allocated proportionately based on existing waitlist share
    - 90 days for award size, additional 90 days for portfolio of projects to be presented
    - 150 days for new REC delivery contract development
    - Substitution rights without penalty in the case of excessive interconnection costs

**\*all items subject to change – identified changes based on publicly available bill drafts**



# Changes to ABP in Draft Legislation\*

- **ABP Changes**
  - 3 categories expand to 6 categories (corresponding changes in allocation between categories)
    1. Small DG
    2. Large DG
    3. Community Solar
    4. **Public Schools**
    5. **Community-Driven Community Solar**
    6. **Equity Eligible Contractors (all project types)**
  - Small DG to changed from up to 10 kW to up to 25 kW, Max size to 5 MW
  - Annual blocks, no discretionary capacity, varying contract length/payment structure
- **Diversity & Equity Changes**
  - Dedicated Equity Eligible Contractor ABP Block
  - 10% of work on program projects from equity eligible persons and equity eligible contractors (starting in 2023 delivery year, with climbing percentages thereafter)
  - Disparity and availability study to inform additional requirements conducted after one year of new operations
- **Labor-Related Changes**
  - Prevailing wage requirements
    - All utility-scale, brownfield, and community solar projects
    - Still open discussion re: DG threshold and exemptions



# Block Structure

- **Original Block Sizes**
  - Group A: 22 MW
  - Group B: 52 MW
- **4% REC price decline between blocks**
- **Applications received to date (accepted and waitlisted)**

	Small DG (MW)		Large DG (MW)	
	Group A	Group B	Group A	Group B
2019	16	41	103	128
2020	33	66	51	36
2021 (to date)	10	32	6	18

- Large DG Blocks closed March 2020; Small DG Blocks closed in December 2020
- **Pending legislation would move towards annual blocks**
  - DG waitlisted projects taken in order
  - Additional sorting provisions for community solar waitlisted projects

- **What changes should be considered to the block structure?**
  - Block sizes/ REC price change between blocks? (If legislation not enacted)
  - Additional Groups to increase geographic granularity?
  - For Large DG, additional division of blocks by project size?
- **Waitlist management**
  - Current waitlist approach is to continue to take applications and place on waitlists; take projects off waitlists as capacity becomes available due to previously-approved project attrition
    - What ongoing verification should be conducted in order for projects to maintain waitlist position?

- **Current model**
  - Approved Vendors
    - Must apply and be vetted by Program Administrator
    - Submits Part I (initial project information) and Part II (project energization information)
    - Entity with REC delivery contact with utility, responsible for collateral and REC delivery performance obligations, and behavior of Designees
  - Designees
    - Entities that have direct interaction with end-use customers, including installers, marketing firms, lead generators, and sales organizations
    - Approvals managed by Approved Vendors
    - Can generate Disclosure Forms
- **Approved Vendor/Designee model was intended to allow for a variety of business models:**
  - Aggregators
  - Vertically-integrated companies

- **Does this model adequately address the roles and responsibilities of types of firms involved in solar projects?**
  - Lead-generation
  - Sales and marketing
  - Installers
  - Financers
  - REC management
  - Warranties/O&M

- **Current ABP model has separate Disclosure Forms for:**
  - Purchase
  - Lease
  - PPA
- **Should there be increased differentiation for projects based on their financing model?**
  - Distinctions between Residential/Non-residential projects
  - Changes to disclosure forms
  - Changes to project application requirements
  - REC pricing (including if/how REC payments are passed through to end use customer)

- **Current requirements include:**
  - System information
  - Proof of site control
  - Signed interconnection agreements for projects over 25 kW
  - Land-use permits for ground-mounted systems over 250 kW
- **Are there streamlining of project application requirements to be considered?**
- **What additional information should be required?**
- **Are there improvements to be made to handle changes in system design between initial application and energization (and how to connect to consumer protections)?**

- **Request for Stakeholder feedback conducted in April/May**
  - Most stakeholders did not support minimum design requirement (e.g., restrictions on panel azimuth)
  - More support for various approaches to increased disclosure to customers
  - Additional consumer information on system design criteria will be added to the [Illinoisshines.com](http://Illinoisshines.com) website



- **The Agency is interested in increasing design information on disclosure forms**
  - How should additional disclosure requirements be triggered for non-optimally designed systems? And if so, what are appropriate triggers (e.g., capacity factor, panel azimuth, shading)?
  - Non-optimally designed systems would have lower capacity factors and thus lower REC payments compared to a more-optimally designed system.
    - How should this be disclosed/conveyed to customers?
    - For systems where the customer may not directly see the REC payment, what should be conveyed related to expected net metering benefits received?

- **Complaints increasing as program volume increases**
  - 28 complaints in 2019
  - 77 complaints in 2020
  - 78 complaints to date in 2021
- **Common issues have included**
  - Delays in submitting applications and projects being placed on waitlists (increasing in 2021)
  - REC payment delays
  - Disclosure forms timing
- **10 of 16 suspensions issued to date have been to Designees**
  - 6 suspensions related to violations of COVID-19 door to door marketing restrictions (now lifted)

- **Consumer protections to date have been largely reactive (e.g., customer contacts Program Administrator, or uncovering errors/discrepancies on disclosure forms or project applications).**
  - Should customer satisfaction surveys or other proactive means of gauging customer understanding/satisfaction be considered?
  - What other tools should be considered to help ensure that Illinois residents and businesses are properly served by program participants?

- **Consumer education has focused on provision of standard brochures and disclosure forms, as well as the consumer-facing [illinoisshines.com](http://illinoisshines.com) website**
- **Program Information available on websites**
  - Dashboard displays of block status
  - Lookup tools for Approved Vendors and Designees
  - Listings of consumer complaints and disciplinary actions
  - Downloadable reports of:
    - Project application reports for applications received, applications approved, and projects completed and energized
    - Waitlists

- **Has the Illinois Shines branding (and dedicated website) for the Adjustable Block Program been helpful for consumers?**
- **What additional educational resources could the program develop to aid consumers?**
- **What additional reporting/analysis of program data would benefit consumers and other program participants?**

# Adjustable Block Program

---

- **Comments on other aspects of the Adjustable Block Program for consideration in the Revised Long-Term Plan.**

**Break**



# Illinois Solar for All

- **Program to serve direct installations for low-income households. Participation has been slow**
  - 48 single-family projects
  - 10 multi-family projects
- **What are the barriers impeding participation?**
  - REC prices could be adjusted. Would that be sufficient or are other barriers still significant?
  - Program complexity/application requirements?
  - What soft costs can be reduced?
  - What are the challenges related to marketing and identifying customers?
  - How does not allowing for upfront payments from customers impact the customer acquisition process?
  - How can we increase Approved Vendor participation outside of the Chicago area?
- **Multifamily buildings**
  - For master-metered buildings, how can the requirements to provide tangible benefits to residents be improved?
  - What are the challenges related to providing benefits to individually-metered multi-family buildings?

- **Ownership models**
  - Several projects have been structured as PPAs with an ownership buyout option after six years. How should Approved Vendor obligations for projects (e.g., ongoing O&M) carryover when system ownership changes?
- **Current REC prices based on adjustment from Adjustable Block Program to assume projects to receive Federal Investment Tax Credit**
  - Is there a better approach to calibrating REC prices for Non-profit/Public Facility projects?
- **Projects have to be in a low-income or environmental justice community and be a critical service provider.**
  - Can these requirements be refined to better ensure that projects serve and benefit low-income Illinois residents?

- **Projects from previous program years still under development, which limits observations on how successes or challenges of implementation.**
  - Do stakeholders have any initial thoughts on challenges related to successful recruitment of low-income subscribers?
  - Are there concerns with market confusion with community-solar projects participating in the Adjustable Block Program?
- **Projects have been 1 MW or larger.**
  - Should additional considerations be made to encourage smaller projects? This would also increase the number of projects selected.
    - Higher REC prices
    - Additional points in project selection protocol
    - Other approaches?

- **Section 1-56(b)(2)(B) of the IPA Act includes provisions for incentives for projects that are “100% low-income subscriber owned, which includes low-income households, not-for-profit organizations, and affordable housing owners”**
  - Additional \$5/REC incentive offered. To date, no projects have applied that use this option.
  - Is the model of 100% low-income subscriber owned viable, and if so, what adjustments could be made to increase applications from such projects?

# Additional Sub-programs?

- **The IPA Act allows stakeholders to propose additional sub-programs**
  - Could this be an opportunity to test/pilot additional program approaches to support solar for low-income customers?

- **The Project Selection Protocol was updated for Program Years 3 (2020-2021) and 4 (2021-2022) to include additional points for non-MWBE Approved Vendors who make binding commitments to use MWBE sub-contractors.**
  - In Program Year 3, 5 out of 18 non-profit/public facilities and 2 out of 3 community solar projects selected used this provision.
  - What additional measures can be included in project selection to encourage participation by MWBE Approved Vendors and other entities?
- **Program Year 4 Project Selection Protocol uses six regions to consider geographic diversity rather than just Group A or Group B.**
  - Are there further refinements that could be made to encourage statewide geographic diversity of projects?
- **What other criteria could be considered in the Project Selection Protocol Process? For example:**
  - Encouraging smaller community solar projects more directly located near subscribers
  - Increasing energy sovereignty through models that encourage community-ownership
  - Prioritization of critical service provider categories



- **Current requirements include:**
  - 33% of Low-Income Distributed Generation projects (on a rolling average basis) include the use of one or more job trainees
  - For each Approved Vendor, in the first year of participation 10% of the hours worked on all projects will be by job trainees, and that amount would increase to 20% in their second year of participation, and 33% in the third year.
  - Priority for trainees from the solar training pipeline program, craft apprenticeship program, and the multi-cultural jobs program, with provisions for consideration of trainees from other qualifying programs, and good-faith waiver options.
- **What challenges have Approved Vendors found in meeting these requirements?**
- **What clarifications or refinements to these requirements should be considered?**
- **How can the Illinois Solar for All Program better coordinate with the job-training programs?**

- **10-12 organizations supported each year**
  - COVID-19 slowed efforts over the last year
  - Coverage in downstate Illinois has been more challenging
  - Lag between grassroots education efforts and availability of subscriptions to low-income community solar projects has been an issue
- **The Agency has focused on having grassroots education efforts be competitively-neutral**
  - How can we increase program participation stemming from grassroots education efforts?
  - What adjustments could be considered to allow for smoother coordination efforts between grassroots education and Approved Vendors that don't compromise the educational goals of the program (e.g., grassroots educators are not marketing offers from specific Approved Vendors)?

- **Comments on other aspects of the Illinois Solar for All for consideration in the Revised Long-Term Plan.**

# Next Workshop

---

- **Workshop 3: Tuesday, July 13, 2021; 1 pm – 4 pm**
  - Community Solar
  - REC Pricing