

17 N. State Street, Suite 1710 Chicago, IL 6060 (312) 726-2938

February 28, 2022

Submitted Via Email To: IPA.contactus@illinois.gov

Re: Chicago Environmental Justice Network Comments on Long Term Renewable Resources Plan

# To Whom It May Concern:

Please be advised that I represent the Chicago Environmental Justice Network (CEJN). CEJN is a coalition of several Chicago-based environmental justice organizations, including the Little Village Environmental Justice Organization, Neighbors for Environmental Justice, Blacks in Green, Southeast Environmental Task Force and People for Community Recovery. CEJN advocates to eliminate adverse and disproportionate risks in environmental justice communities, to ensure opportunities for these communities to participate at every level of decision-making, and to equitably allocate the benefits of public health, economic, environmental, and energy programs and resources.

Effective implementation of CEJA and its subprograms are of great importance to CEJN and its diverse group of members. As such, individual members of these organizations may be submitting comments arising from their own experiences. Moreover, CEJN organizations may be submitting comments addressing their community-based perspective on the proposed Long Term Renewable Resources Plan ("Proposed LTP") developed by the Illinois Power Agency ("IPA"). Collectively, CEJN offers the below comments to strengthen equity and efficiency of programs outlined in the LTP. CEJN appreciates IPA's attention to these comments and looks forward to a continued partnership with IPA to implement the important intentions of CEJA.

#### I. Illinois Solar for All

As environmental justice organizations, members of CEJN have great interest in the implementation and success of Illinois Solar for All (ILSFA) under CEJA and the Proposed LTP. CEJN participated in the preliminary comments regarding the ILSFA program and found that many of its suggestions have been incorporated into the Proposed LTP. Given these incorporations, CEJN offers the below comments to further aid in development of the ILSFA program regarding energy sovereignty, continued stakeholder engagement, easing economic burdens on low income and minority participants, and job placement.

# **8.2.2** Tangible Economic Benefits

In the Proposed LTP, IPA appropriately acknowledges a key barrier of low-income participation in renewable energy programs as a lack of funds or financing options to pay up-front costs. To alleviate that barrier, the IPA proposes to continue the ILSFA standard of no up-front costs under the Proposed LTP. CEJN strongly supports

the no up-front costs standard as it effectively furthers the intention of ILSFA and eliminates a key barrier of participation.<sup>1</sup>

IPA proposes an exception to the no up-front costs standard to allow for nominal fees required by energy cooperatives promoting energy sovereignty. During the preliminary comment period, CEJN advocated for energy cooperatives to further energy sovereignty but acknowledged that they do typically require a membership or subscription fee. Given our continued support of energy sovereignty and belief that energy cooperatives can be a helpful tool to achieve such, CEJN conservatively supports IPA's proposed exception to allow for nominal membership fees for energy cooperative projects that meet the energy sovereignty definition.

However, of utmost importance to CEJN is the participation of the ILSFA's target population: low-income and minority individuals and communities. Often up-front costs exclude low-income, energy burdened individuals who do not have funds or the credit to finance any such costs prior to receiving energy bill savings. It is important under CEJA and ILSFA to balance the promotion of energy sovereignty without placing unnecessary and unreasonable barriers for low-income communities. As such, CEJN suggests the IPA should adopt a modest fee cap that contemplates the income norms of the surrounding area.<sup>3</sup>

CEJN encourages IPA to consider grant programs to ease any allowable up-front costs under ILSFA. IPA should allocate funds from The Community Solar Energy Sovereignty Grant Program. This grant program is intended to support "applicants that best demonstrate the ability and intent to create community ownership and other local community benefits, including local community wealth building via community renewable generation projects." CEJN appreciates that IPA is committed to working with Department of Commerce and Economic Opportunity ("DCEO") to maximize benefits of this grant program for ILSFA and requests that IPA allocate some funds to ease or eliminate up-front costs to solar cooperative membership for low-income individuals.

# **Potential Incentive Schemes**

Should grant allocation be nonviable, CEJN suggests the IPA develop a financial incentive program to ease upfront cost burdens on low-income participants. As stated within the LTP, CEJA allows the IPA to set higher incentives for projects within ILSFA that promote energy sovereignty. Incentives can include rebates, loans, special or discounted rates, technical assistance, and guidance. CEJN respectfully requests IPA to fully develop such incentives as community solar cooperatives and similar projects are an efficient and effective route to energy sovereignty. CEJN offers the following suggestions as incentive schemes that may be used to further eliminate or ease the burden of an upfront cost.

<sup>&</sup>lt;sup>1</sup> CEJN believes the IPA has not applied this standard to its fullest extent for projects involving low-income residents who are interested in installing photovoltaic equipment on their own housing or structures. As discussed further in these comments, CEJN believes there are serious barriers to participation in the low-income single family and small multifamily solar and large multifamily solar subprograms that have not been adequately addressed by the Proposed LTP, specifically regarding the cost of infrastructure needed before equipment may be installed. CEJN requests IPA consider these costs as up-front costs to participation and contemplate incentive and grant programs that may ease this burden to comport with the no up-front costs standard under ILSFA.

<sup>&</sup>lt;sup>2</sup> Low-Income Community Solar: Utility Return Considerations for Electric Cooperatives, Gagne, D., Aznar, A., National Renewable Energy Laboratory, (April 2018), available at <a href="https://www.nrel.gov/docs/fy18osti/70536.pdf">https://www.nrel.gov/docs/fy18osti/70536.pdf</a>.

<sup>&</sup>lt;sup>3</sup> At this time, CEJN is not prepared to offer a specific figure as a nominal fee cap. However, CEJN believes a modest figure would be no more than \$25 with flexibility and encouragement of even lower fees. Fee caps should be site and community specific. Income and other socioeconomic factors of the area should be considered when placing a fee cap for a community solar project.

<sup>&</sup>lt;sup>4</sup> 20 ILCS 730/ 5-60.

<sup>&</sup>lt;sup>5</sup> *Id*.

<sup>&</sup>lt;sup>6</sup> Low-Income Community Solar: Utility Return Considerations for Electric Cooperatives, Gagne, D., Aznar, A., National Renewable Energy Laboratory, (April 2018), available at <a href="https://www.nrel.gov/docs/fy18osti/70536.pdf">https://www.nrel.gov/docs/fy18osti/70536.pdf</a>.

IPA could consider a program that provides a full or partial refund of the up-front costs. For example, energy sovereignty bonus funds could be allocated as a "refund" to low-income individuals who paid up-front cooperative membership fees. IPA could also develop a rebate scheme for low-income community solar cooperative members. Rebates have been used as incentives while renewable energy develops throughout the country. For example, CPS Energy in San Antonio, Texas allocated \$30 million of rebates on a first come first serve basis for solar technology installation in 2016.<sup>7</sup> Rebate schemes like CPS Energy's can reduce system costs by 10-20%.<sup>8</sup> While the CPS rebates were offered for individual rooftop systems, IPA could apply a similar scheme to costs associated with membership in a community solar cooperative project for low-income or incomequalified participants.<sup>9</sup>

Many states have launched community solar projects that boast low-cost membership fees to encourage low-income participants. For example, Delta-Montrose Electric Association (DMEA) partnered with the Colorado Energy Office to establish a low-income community solar project where income-qualified members lease a portion of two 10 kW solar PV arrays. The offered price per watt is under DMEA's typical cost and the Colorado Energy Office funds 50% of the project's capital cost. DMEA's community solar leases begin at a nominal price with each \$10 block providing 2.67 W of capacity in the community solar array.

Similarly, the Grand Valley Power Solar Garden, a community partnership between a private energy company and Grand Valley Power intended to serve low-income households, offers extremely low membership fees.<sup>14</sup> There, the site and infrastructure were provided by Grand Valley Power while the installation and equipment was provided by the private energy company.<sup>15</sup> Each of the low-income households contributed at least 16 hours in sweat equity during development to eliminate upfront and monthly subscription costs.<sup>16</sup> Due to the volunteer work by subscribers, the only fee for participation is a monthly maintenance cost which is capped at \$0.02 per kWh.<sup>17</sup> This is an appropriately nominal fee as it is maintained at a low level and only becomes due after bill savings and other benefits of community solar have been realized. This sort of scheme also promotes energy sovereignty as all participants had an active role in installation and operational decisions from the start.<sup>18</sup>

There has been some success with community solar programs that offer membership to all income levels which allows for income qualified subscribers to receive a discounted or free membership. For example, the Poudre Valley Rural Electric Association<sup>19</sup> (PVREA) offers a community solar cooperative structure through blended

<sup>&</sup>lt;sup>7</sup> *Id*.

<sup>&</sup>lt;sup>8</sup> *Id*.

<sup>&</sup>lt;sup>9</sup> *Id*.

<sup>&</sup>lt;sup>10</sup> *Guide to Cooperative Residential Solar Programs*, Rebenitsch, R., NRECA, (August 2017), available at <a href="https://www.cooperative.com/programs-services/bts/documents/reports/residential-solar-guide.pdf">https://www.cooperative.com/programs-services/bts/documents/reports/residential-solar-guide.pdf</a>.

<sup>11</sup> Community Solar Array, Delta-Montrose Electric Association, (2022) available at https://www.dmea.com/community-solar-array.

<sup>&</sup>lt;sup>12</sup> *Guide to Cooperative Residential Solar Programs*, Rebenitsch, R., NRECA, (August 2017), available at <a href="https://www.cooperative.com/programs-services/bts/documents/reports/residential\_solar\_guide.pdf">https://www.cooperative.com/programs-services/bts/documents/reports/residential\_solar\_guide.pdf</a>.

 $<sup>^{13}</sup>$  Id.

<sup>&</sup>lt;sup>14</sup> Solar Energy: SolSmart's Toolkit for Local Governments – Community Solar, SolSmart, US Department of Energy Solar Energy Technologies Office, (2022) available at <a href="https://solsmart.org/solar-energy-a-toolkit-for-local-governments/community-solar/#:~:text=A%20community%20solar%20program%20can,the%20sponsor%2C%20and%20the%20subscribers.">https://solsmart.org/solar-energy-a-toolkit-for-local-governments/community-solar/#:~:text=A%20community%20solar%20program%20can,the%20sponsor%2C%20and%20the%20subscribers.</a>

<sup>&</sup>lt;sup>15</sup> *Id*.

<sup>&</sup>lt;sup>16</sup> *Id*.

<sup>&</sup>lt;sup>17</sup> *Id*.

<sup>&</sup>lt;sup>18</sup> *Id*.

<sup>&</sup>lt;sup>19</sup> This community solar project used a unique purchase structure that helped avoid up-front costs from the start. PVREA utilized its taxable subsidiaries to develop its own community solar array, which allowed it to take advantage of the federal tax incentives. The tax incentives were then passed through the equity investor which assisted in project finance. The association then entered into a power purchase agreement with the project owning subsidiary and sold the power. This process allowed the project to offer nominal upfront costs for the system instead of a paid rate for solar generation. For more information: <a href="https://www.nrel.gov/docs/fy18osti/70536.pdf">https://www.nrel.gov/docs/fy18osti/70536.pdf</a>

subscribership, low- or moderate-income ("LMI"), nonprofits, and non-LMI participants.<sup>20</sup> The non-LMI and nonprofit subscribers paid up-front costs while the LMI subscribers received no-cost four-year agreements with a guaranteed 30% savings on their retail energy rate.<sup>21</sup> IPA could consider such a blended approach in areas where socioeconomic trends may support it.<sup>22</sup> If the IPA chooses to allow this sort of model, CEJN suggests it be carefully monitored to ensure that low-income residents are benefiting from the system on a tangible scale. To address this, CEJN suggests in such a model, LMI participation, including nonprofits that serve primarily LMI individuals, must meet a threshold rate of at least 50% to meet ILSFA intentions. CEJN also cautions use of this model given that only certain areas in Illinois will host the specific blended population needed to support this scheme.

At the forefront of ILSFA is the encouragement of solar technologies in low-income, environmental justice, or otherwise disadvantaged areas. As such, IPA should do everything possible to ensure barriers to such individuals and communities are minimal if not totally eliminated. While energy sovereignty is of great importance to both CEJA and CEJN, incentives and economic aids must be put in place to ensure target population participation in ILSFA. CEJN believes the above suggestions may be helpful to reach target populations while encouraging energy sovereignty.

# 8.2.4. Energy Sovereignty

# **Energy Sovereignty Definition**

Under CEJA, the IPA must reserve "a portion of [the ILSFA] program for projects that promote energy sovereignty through ownership of projects by low-income households, not for profit organizations providing services to low-income households, affordable housing owners, community cooperatives, or community-based limited liability companies providing services to low-income households." The goal of this change is to ensure that residents and local groups of low-income or environmental justice areas have control over and reap the benefits of renewable energy projects. Energy sovereignty is a prominent goal for many environmental justice communities as it can reduce reliance on fossil fuels and the main grid, create revenue, lead to more renewable energy-specific jobs, encourage energy democracy, and provide energy bill savings.

The renewable market is quickly developing, and some states are entering an autonomous microgrid era. For example, The Blue Lake Rancheria, a tribal nation in California, partnered with public and private companies<sup>24</sup> to build and maintain enough of its own solar energy grid that it can successfully island or use community power wholly separate from the main grid.<sup>25</sup> In fact, in 2020 and 2021, when California suffered rolling blackouts, the Blue Lake Rancheria was able to provide electricity to all residents on the reservation and reduce stress on the main grid.<sup>26</sup> The Blue Lake Rancheria's community scale solar project is now called a "low carbon microgrid"

<sup>&</sup>lt;sup>20</sup> Low-Income Community Solar: Utility Return Considerations for Electric Cooperatives, Gagne, D., Aznar, A., National Renewable Energy Laboratory, (April 2018), available at <a href="https://www.nrel.gov/docs/fy18osti/70536.pdf">https://www.nrel.gov/docs/fy18osti/70536.pdf</a>.

<sup>&</sup>lt;sup>21</sup> *Id*.

<sup>&</sup>lt;sup>22</sup> *Id*.

<sup>&</sup>lt;sup>23</sup> LTP at 230.

<sup>&</sup>lt;sup>24</sup> The microgrid was built by a partnership between the Blue Lake Rancheria and California Energy Commission and its EPIC program, the Schatz Energy Research Center and Humboldt State University, Pacific Gas and Electric Company, Idaho National Laboratory, Siemens, Tesla, REC Solar, McKeever Energy, Colburn Electric, Kernen Construction, the American Red Cross, US Department of Energy, DOE Office of Indian Energy, National Renewable Energy Laboratory, U.S. Department of Interior, and DOI Bureau of Indian Affairs. *BLR's Low Carbon Microgrid is Complete*, Blue Lake Rancheria, (2021) available at <a href="https://www.bluelakerancheria-nsn.gov/blrs-low-carbon-microgrid-is-complete/">https://www.bluelakerancheria-nsn.gov/blrs-low-carbon-microgrid-is-complete/</a>.

<sup>&</sup>lt;sup>25</sup> How Indigenous Communities Build Energy Sovereignty, Peart, N., GreenBiz, (Sept. 6, 2021) available at <a href="https://www.greenbiz.com/article/how-indigenous-communities-build-energy-sovereignty">https://www.greenbiz.com/article/how-indigenous-communities-build-energy-sovereignty</a>.

<sup>26</sup> Id.

which results in energy savings, a 10% increase in employment with energy-specific jobs, CO2 emission reductions, and improved emergency preparedness.<sup>27</sup>

CEJN believes the ultimate goal of energy sovereignty is an autonomous micro-grid fully owned and operated by the community. At this time, CEJN understands such an ideal on a large scale is not supported by Illinois finances or infrastructure. However, incremental steps can be taken through CEJA and the Proposed LTP to put Illinois on track to realize a full ownership energy sovereignty standard in the future. CEJN appreciates IPA's continued work to encourage energy sovereignty under CEJA but believes IPA's proposed definition of energy sovereignty (1) is too limited regarding the standard level of ownership considered energy sovereignty; (2) too narrowly defines owner eligibility; (3) should be clarified regarding the terms "facility" and "ownership"; and (4) should be narrowed to exclude models that include ownership of technology but do not promote other aspects of energy sovereignty including control, wealth building, or energy democracy.

First, CEJN takes issue with the term "majority" used as a qualifier in the proposed definition. IPA proposes to define energy sovereignty as "the low-income household or community organization having or being on a defined path to majority ownership of the photovoltaic facility." Use of the term majority unnecessarily limits the level of ownership that will be encouraged or available to communities striving for full ownership energy sovereignty. While CEJN certainly wishes to encourage majority ownership in photovoltaic systems, the energy sovereignty standard should not be capped at majority, but rather full ownership should be available and encouraged. IPA should consider incremental changes that bring Illinois closer to achieving an autonomous microgrid structure where communities can make tangible decisions about their energy generation, distribution, and usage, and reap benefits over and beyond bill savings. Adding an unnecessary qualifier to the definition of energy sovereignty discourages this standard. As such, the term "majority" within the proposed definition of energy sovereignty should be removed or clarified in the LTP.

Second, CEJN believes the proposed definition too narrowly defines who can qualify as an owner. In the Proposed LTP, IPA states "[t]he Agency believes that majority ownership by individuals or community institutions listed by Section 1-56(b)(2)(A)(i) is the most direct way to ensure that local people will have control over and reap the benefits from photovoltaic energy projects."<sup>29</sup> CEJN ardently agrees with this position. However, the definition proposed by IPA fails to incorporate all such institutions. IPA's proposed definition left out affordable housing owners, community cooperatives, and community-based limited liability companies providing services to low-income households. CEJN believes in order to further expand this opportunity and best ensure energy sovereignty by local individuals, IPA should include all eligible institutions within the definition.

Third, CEJN looks for more clarity regarding the terms "ownership" and "facility." The proposed definition confines energy sovereignty to ownership of a photovoltaic facility. However, it is not clear what exactly falls into the definition of ownership nor facility. For example, does "ownership" include solar leases? Does "ownership" include community solar initiatives using a partnership flip model? Does "facility" include individual solar panels, like rooftop solar, and/or solar arrays that make up a community solar project? CEJN respectfully asks IPA to clarify the terms facility and ownership in clear plain language to eliminate unnecessary confusion regarding energy sovereignty and the benefits afforded to programs that meet this definition.

Finally, there is confusion on whether the proposed definition requires ownership of the solar technology, the generated energy, or the solar technology *and* the generated energy. There are programs in which individuals own

<sup>&</sup>lt;sup>27</sup> BLR's Low Carbon Microgrid is Complete, Blue Lake Rancheria, (2021) available at <a href="https://www.bluelakerancheria-nsn.gov/blrs-low-carbon-microgrid-is-complete/">https://www.bluelakerancheria-nsn.gov/blrs-low-carbon-microgrid-is-complete/</a>

<sup>&</sup>lt;sup>28</sup> 2022 Long-Term Renewable Resources Procurement Plan: Draft Plan for Public Comment, Illinois Power Agency, (Jan. 13, 2022), at 208.

<sup>&</sup>lt;sup>29</sup> *Id*.

or lease photovoltaic systems but the energy itself is the property of another individual or entity. For example, the community solar project operated by Midwest Energy in Colby, Kansas sells individual panels within its large solar array. <sup>30</sup> Though solar panels and other solar technologies are owned by residents, all solar energy generation is operated and maintained by Midwest Energy.<sup>31</sup> While this model is helpful to encourage renewable energy usage, it is not necessarily one that promotes energy sovereignty for failure to incorporate foundational principles. For example, this model does not provide "benefits over and above energy bill savings". In the Midwest Energy's Kansas model, participants are given energy bill credits after their loan is paid in full but reap no further economic benefits or revenue until sale of their panels.<sup>32</sup> Further, the concept of control is not incorporated as community members do not participate in the managerial or democratic processes regarding the solar program.<sup>33</sup> Instead, Midwest Energy, as the operator, has full dominion over maintenance and operations and does not offer opportunities for wealth-building, political autonomy, or economic opportunity to participants.<sup>34</sup> In fact, these aspects are advertised as a draw to the program as it takes the guess work and administrative burden off the participant and places it entirely on the utility.<sup>35</sup> While that may be attractive and should certainly be bolstered as the state moves toward a more renewable infrastructure, it clearly does not promote energy sovereignty. As such, even though members of Midwest Energy's Kansas community solar program completely own their arrays, this program should not fall into an energy sovereignty category. CEJN respectfully requests IPA better articulate the term "ownership" within the proposed definition to fully promote actual energy sovereignty as intended under CEJA.

CEJN respectfully provides two options for suggested edits as redlines to the proposed definition below:

Thus, the Agency proposes to define "energy sovereignty" as the low-income household, not-for-profit organizations providing services to low-income households, affordable housing owners, community cooperatives, community-based limited liability companies providing services to low-income households, or community organizations. or community organization—having or being on a defined path to majority ownership of the photovoltaic facility while reaping benefits and maintaining control over operational, managerial, and energy democratic aspects of the project.

Or:

Thus, the Agency proposes to define "energy sovereignty" as the low-income household, not-for-profit organizations providing services to low-income households, affordable housing owners, community cooperatives, community-based limited liability companies providing services to low-income households, or community organization having or being on a defined path to at least majority ownership of the photovoltaic facility while reaping benefits and maintaining control over operational, managerial, and energy democratic aspects of the project.

<sup>&</sup>lt;sup>30</sup> *Community Solar*, Midwest Energy, Inc., (2022) available at <a href="https://www.mwenergy.com/environmental/renewable-energy/community-solar">https://www.mwenergy.com/environmental/renewable-energy/community-solar</a>.

<sup>&</sup>lt;sup>31</sup> *Id*.

 $<sup>^{32}</sup>$  *Id*.

<sup>&</sup>lt;sup>33</sup> *Id*.

<sup>&</sup>lt;sup>34</sup> *Id*.

<sup>&</sup>lt;sup>35</sup> *Id*.

#### **Financial and Structural Barriers**

There are serious infrastructure and financial barriers that preclude individuals from participation due to insurmountable pre-requisite update costs, credit score and financing option limitations, and lack of funding. Despite identifying the barrier within the LTP, IPA did not attempt to address this issue. As explained further in CEJN's comment regarding financial and structural barriers to the low-income single- and small multi-family solar subprogram below, without reform, these programs will face the same under-utilization fate of the Low-Income Distributed Generation subprogram under FEJA and ILSFA. These concerns apply to all solar projects that promote energy sovereignty including community solar and rooftop solar for low-income households. CEJN fervently urges IPA to revisit this issue to ensure accessibility to these programs and eliminate barriers of participation.

# **Partnership Flips**

CEJN submitted preliminary comments in support of partnership flip models for community solar to further energy sovereignty. A time specific partnership flip model allows ownership to "flip" to a tax-exempt or low-tax-burden entity after a pre-determined period when the investment tax credit and depreciation benefits have been realized.<sup>36</sup> Partnership flips are increasingly common in community renewable energy programs, most notably in solar and wind programs and have been largely successful when afforded the appropriate protections.<sup>37</sup>

IPA must work additional protections to support low-income and environmental justice community entities in achieving ownership through partnership flips into the Proposed LTP. However, such protections should not go over and beyond the typical range of protections afforded to solar system owners as they could be seen as barriers of entry. This balance can be struck by including protections like those afforded to buyers in the adjustable block program. Further, CEJN asks the IPA to be mindful that this is a complex financial model that not all solar project participants will understand. As such, CEJN believes educational outreach programs specific to ownership models, like partnership flips, should also be supported in the LTP to ensure all actors will be fully informed.

CEJN appreciates IPA's incorporation of partnership flip models in the Proposed LTP and continues to express support of their use to encourage energy sovereignty and allow for low-income individuals to realize the full benefits of CEJA and ILSFA.

# 8.5. Program Requirements and Incentives

CEJA created a new subprogram scheme for ILSFA by eliminating the low-income distributed generation subprogram and replacing it with the low-income single- and small-multifamily solar and the low-income large multifamily solar subprograms. CEJA also gave IPA the authority to propose changes to the subprograms that "more effectively maximizes the benefits to low-income customers." The IPA has the authority to propose different incentives that provide greater benefits to the public health and well-being of low-income residents in place of other subprograms. Under the Proposed LTP, IPA is not proposing any additional programs. CEJN believes this is the correct choice at this time but emphasizes the need to reevaluate after implementation. The full potential of these programs can only be fully understood through practice. The novel characteristic of many CEJA mandates, including some ILSFA subprograms, make flexibility and revision after implementation crucial to maximize benefits and program efficiency. Unforeseen complications or successes could be exposed through implementation and IPA should maintain the authority and willingness to revise each subprogram in the years

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<sup>&</sup>lt;sup>36</sup> The Law of Solar: A Guide to Business and Legal Issues, Moss, J., Borkgren, M., Stoel Rives, LLP, (2017), available at <a href="https://www.stoel.com/legal-insights/special-reports/the-law-of-solar/sections/project-finance-for-solar-projects">https://www.stoel.com/legal-insights/special-reports/the-law-of-solar/sections/project-finance-for-solar-projects</a>.

<sup>&</sup>lt;sup>37</sup> Id.; see also Rev. Proc. 2007-65 available at https://www.irs.gov/pub/irs-drop/rp-07-65.pdf

<sup>&</sup>lt;sup>38</sup> 20 ILCS 3855/1-56(b)(4).

following implementation as necessary. CEJN encourages IPA to revisit this decision within 2 years of implementation to assess the success of each subprogram and ensure the goals of CEJA and ILSFA are realized as efficiently as possible under this LTP.

As discussed in various sections of these comments, CEJN urges IPA to consider and develop incentive schemes that may encourage job placement, low-income community participation, and offset structural and up-front costs to low-income individuals. Such incentives fall within IPA's authority as changes to the subprograms to maximize benefits to low-income and other equity eligible participants.

CEJN echoes its previous public comments submitted to IPA regarding a need for an ILSFA working group engagement launched and facilitated by IPA. Some issues realized upon implementation of the LTP will prove to be too technical and complex to be solved by the IPA alone or adequately addressed via written comments. Therefore, CEJN urges the IPA to implement regularly convened ILSFA working group meetings and working groups for other aspects of the LTP.<sup>39</sup> Working group meetings should provide a forum for candid conversation between industry participants, stakeholders, the public, non-governmental organizations, and agencies to discuss and address administrative and technical barriers, subprogram successes and failures, and any revisions needed. IPA acknowledged the need for such a working group in the LTP and vowed to work with DCEO to develop an initiative. CEJN fully supports this decision and looks forward to developments in the near future.

To aid in implementation of an ILSFA working group, CEJN provided general characteristics of the working group in its preliminary comments. CEJN proposes the following language to be built into the LTP to establish standards for an ILSFA working group. This language is applicable to all programs under CEJA and should be implemented as consistently as possible.

# 8.17. Illinois Solar for All Working Group

The Agency shall schedule regular meetings between representatives of Illinois Commerce Commission, Illinois Power Agency, Approved Vendors, Approved Vendor Aggregates, Equity-Eligible Contractors, Industry participants, Elevate, InClime, Illinois Solar for All Providers, grassroots educators or local organizations, the public, and all other interested stakeholders to discuss the progress of the program. Such regular meetings shall be held at least twice monthly as an "Illinois Solar for All Working Group Meeting." The purposes of each working group meeting are to foster meaningful and informed conversation between all program participants and agencies, provide education or information regarding participation in the program, encourage stakeholder and public feedback, and develop and propose incremental changes to address any failures of each subprogram to be implemented between plan cycles as necessary.

# At a minimum, each working group meeting shall:

- Convene for at least one hour twice monthly
  - At least one meeting must be offered outside of working hours each month;
- Be conducted via web-based live stream with encouragement and availability of meaningful participation strategies through chat, video, or audio functions for all attendees;

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<sup>&</sup>lt;sup>39</sup> i.e., Adjustable Block Program or Diversity, Equity, and Inclusion.

- Offer appropriate accessibility accommodations including but not limited to translation or interpretation services and transcripts; and
- Be recorded with each recording and any meeting materials uploaded to IPA's publicly accessible web site within one week of the working group meeting.

Upon implementation of the Illinois Solar for All Working Group, IPA shall develop and make publicly accessible a listsery for interested parties to subscribe to and receive automatic email alerts regarding scheduled meetings or events, important dates, and links to posted materials including past meeting recordings. Scheduling notices of upcoming meetings shall be sent to the listsery at least one week prior to each meeting. IPA shall draft working group meeting summaries on at least a quarterly basis to be distributed to all meeting attendees and the ILSFA listsery available on IPA's website.

# 8.5.1. Energy Sovereignty

The IPA Act requires IPA to reserve a portion of ILSFA "for projects that promote energy sovereignty through ownership of projects" by eligible entities. <sup>40</sup> As such, the IPA proposed to reserve 25% of the funds for each subprogram's budget for projects that promote energy sovereignty. CEJN believes this is an appropriate allocation of funds and supports IPA's commitment to furthering energy sovereignty. However, this is a portion of the plan that will only reveal all implications after implementation. It may be that the IPA will be able to support a 25% allocation from some subprograms but not others. At this time, there is not enough information to strongly comment in opposition to this. As such, CEJN requests this allocation is revisited within 2 years of implementation and is a topic of discussion within Working Groups. In the interim, CEJN respectfully requests IPA compile data on all projects that receive prioritization funding as energy sovereignty projects so that a better understanding of this allocation is available.

CEJN also supports IPA's proposed incentive scheme of "bonus" payments to projects that support energy sovereignty. Projects that feature or facilitate ownership of projects by low-income households or other equitable entities would be eligible for an energy sovereignty bonus. Projects where low-income households or eligible entities hold majority ownership of the installation from the time of the project application will also qualify for such bonus. Community solar projects qualify for the application bonus payment and may use it to pay for ownership shares in a community cooperative for eligible customers, they could also be used to promote ownership of individual panels within a community solar project. This scheme aligns with CEJN's commitment to promoting energy sovereignty and provides adequate opportunities for participation with few barriers. Again, CEJN echoes its previous caveat regarding a need for flexibility and the ability to reassess each program after implementation. Here, such energy sovereignty bonus programs should be subject to working group assessment and IPA should reserve the flexibility to address any misgivings of these programs that may become apparent after implementation.

CEJN also requests the IPA consider the up-front cost of solar installation including costly structural and electrical updates. This barrier will be especially present in the low-income single- and small-multifamily and large multifamily subprograms where low-income individuals wish to install photovoltaic technology upon an owned structure. Unfortunately, many low-income individuals will be precluded from participation in this subprogram solely because of inadequacies of housing. Given these subprogram projects will often be eligible for the energy

<sup>&</sup>lt;sup>40</sup> 2022 Long-Term Renewable Resources Procurement Plan: Draft Plan for Public Comment, Illinois Power Agency, (Jan. 13, 2022), at 208.

sovereignty bonuses, it may be advantageous to offer such bonus earlier in the process to assist with some of the pre-requisite updates. CEJN understands these bonuses may be fairly nominal in comparison with the costs associated with prerequisite updates. As such, CEJN proposes the IPA consider bonus payments on a case-by-case basis to provide bonus funding that adequately matches or offsets the financial burden borne by participants.

# 8.5.3. Low-Income Single Family and Small Multi-Family Solar

# **Financial and Structural Barriers**

An identified barrier to the Low Income Distributed Generation (LIDG) program under FEJA and ILSFA was a lack of funding for low-income individuals bearing the cost of structural, electrical, or housing upgrades before installation of solar technologies. This barrier led to significantly less participation in the LIDG subprogram than expected. In the Proposed LTP, IPA recognized this barrier but did nothing to address or alleviate it. So again, under CEJA, low-income residents will be forced to bear these substantial upgrading costs to participate in ILSFA. Failure to address this barrier is failure to adequately undertake the low-income single- and small- multifamily or low-income large multifamily subprograms in direct contrast of ILSFA and CEJA intention. Those programs will therefore face the same perpetually underutilized fate as the LIDG subprogram under FEJA.

Continuing to offer funding for individual solar panel installation without anticipating costs related to appropriate housing, HVAC, and electric systems will lead to accessibility and participation in high income or effluent areas exclusively. These areas will then capitalize on solar energy gains instead of low-income communities contrary to the intent of ILSFA and CEJA. As such, CEJN implores IPA to anticipate additional individual costs associated pre-requisite upgrades to solar installation and allocated funds to better incentivize and allow for low-income resident participation.

First and foremost, CEJN believes IPA should develop a grant program that could be allocated to low-income individuals installing photovoltaic systems on their homes. Illinois offers several renewable energy grants available for business, non-profit, educational, and public institutions but none specifically geared toward low-income individuals. Even further, under CEJA, there is a grant program specifically for community solar but not for individual rooftop projects. The lack of grant program for individual systems creates a hole in ILSFA that leads to inequitable results and low participation. Such a grant program should account for the upgrade costs associated with individual solar installation to allow low-income individuals the ability to fully utilize ILSFA benefits. CEJN implores IPA to consider any availability of a grant program specifically geared toward easing the barriers to low-income individuals wishing to install individual photovoltaic systems.

If a grant program is nonviable, CEJN encourages IPA to use its authority to set higher incentives for projects within ILSFA that promote energy sovereignty. The low-income single- and small multifamily solar and large-multifamily solar subprograms promote energy sovereignty in the most basic way: providing individual photovoltaic systems to individual community members, and as such inherently qualify for higher incentive rates. Incentives can include higher renewable energy credit (REC) prices, rebates, loans, special rates, technical assistance, or guidance.<sup>42</sup> CEJN respectfully requests IPA to develop such incentives to offset or ease the burden of structural, electrical, or housing upgrades needed for low-income individual solar systems. CEJN offers the following suggestions as incentive schemes that may help address major economic and structural barriers to participation.

<sup>&</sup>lt;sup>41</sup> *Illinois Energy Grants, Rebates, Loans, & Incentives*, Energy-Grants, (2021) available at <a href="http://www.energy-grants.net/illinois-energy-grants-rebates-loans-incentives/">http://www.energy-grants.net/illinois-energy-grants-rebates-loans-incentives/</a>.

<sup>&</sup>lt;sup>42</sup> *Id*.

Without a grant program, CEJN believes the next best solution would be to incorporate higher REC prices in the Low-Income Single- and Small Multi-family Solar subprogram. This would allow for participants to receive a higher return that would offset some of the upgrade costs associated with installation. There are some identified issues with this solution that CEJN does not currently have an answer to. For example, the timing of REC payments may exclude low-income residents who do not have the finances to pay these costs without an immediate return. Additional consumer protections must also be put in place around this program to ensure the REC payments address upgrade costs as intended. Further, there is not enough data available to CEJN to understand the threshold price or adder level needed to alleviate these costs. As such, CEJN believes IPA, ICC, and the agency's partners have the expertise and are better suited to address timing concerns, incorporate adequate consumer protections, and set appropriate REC prices levels than CEJN. Therefore, CEJN proposes IPA incorporate a pilot program with higher REC prices, an adder, and a reporting requirement, such as an affidavit, to ensure the funds are being returned to the buyer to account for upgrade costs in a timely manner. Aligning with Illinois Solar for All Working Group's comments, CEJN recommends the following change to Section 8.5.3.2. of the LTP focused on incentive levels for the single- and small multi-family subprogram:

To encourage Energy Sovereignty, a <u>REC adder in ann additional \$5 per amount specific to the area REC</u> would be added for projects that result in ownership by the customer. <u>Furthermore, a pilot will be developed through which an additional REC adder may be included for projects that require additional building upgrades prior to solar installation. Accountability requirements, including signed affidavits, will be instituted to ensure pilot program funds are used for prerequisite updates as intended within a timely manner.</u>

CEJN also wishes to call to IPA's attention the complexity of financial models, like this proposed pilot program, and encourages the IPA to anticipate the need for revision following implementation. CEJN welcomes the opportunity to continue working with IPA and industry participants to address this barrier through higher REC and/or adder incentives. Flexibility regarding such a program is crucial and it should be subject to working group discussion.

# Other Potential Incentive Programs to Address Financial and Structural Barriers

Rebates can also be helpful to address upgrade costs. For example, Maryland offers a solar rebate program that provides a \$1,000 cash rebate for each solar energy system installed on a primary residence. Other programs are more geared toward low-income or environmental justice areas like California's Disadvantaged Communities – Single-Family Solar Homes (DAC-SASH) program which provides upfront cash rebates to income-eligible, single-family homes installing solar panels. To qualify for the DAC-SASH program, individuals must live in the top 25% most disadvantaged communities statewide or on tribal lands and meet income qualifications. Rebates offer the stability and provide an opportunity to enjoy benefits of solar energy before bill savings. Such a scheme used in conjunction with other incentive options may help eliminate the initial financial burden on low-income individuals wishing to install photovoltaic systems on their home.

A potential financial barrier to individual system installation is low credit score or other difficulties accessing loans. IPA could implement a state financing option to encourage photovoltaic installation in low-income areas.

<sup>&</sup>lt;sup>43</sup> FY22 Residential Clean Energy Rebate Program, State of Maryland, (2022), available at https://energy.maryland.gov/residential/Pages/incentives/CleanEnergyGrants.aspx.

<sup>&</sup>lt;sup>44</sup> Single-family Affordable Solar Homes Program, GRID Alternatives, (2022), available at <a href="https://gridalternatives.org/what-we-do/program-administration/sash">https://gridalternatives.org/what-we-do/program-administration/sash</a>.

<sup>45</sup> Id.

For example, through the Michigan Saves Home Energy Loan Program, Michigan offers homeowners the ability to upgrade their home's energy efficiency with low interest rate loans, capping the maximum APR at 7.90%. <sup>46</sup> This option ensures low interest rates, trustworthy brokerage, fixed payments and loan terms, and no hidden or unexpected fees for low-income individuals. <sup>47</sup> CEJN believes a program like Michigan's should be built into the Climate Bank.

The Climate Bank, once initiated, should also provide low-income participation stimulation and incentive plans like the Connecticut Green Bank, but from the start.<sup>48</sup> Starting in 2015, four years after the bank's inception, the Connecticut Green Bank offered an incentive program for LMI homeowners which resulted in over 4,400 solar PV projects installed, a majority of which were installed in LMI census tracts.<sup>49</sup> The program eliminates barriers to participation by using alternative underwriting to qualify customers regardless of income or credit score.<sup>50</sup> The contracts also boast no up-front costs, hidden fees, or escalating lease payments.<sup>51</sup> CEJN believes equitable programs like this one should be built into the Climate Bank from its inception to further the goals of CEJA.

IPA could consider partnering with private entities, utilities, or nonprofits to incentivize solar installation in underserved or environmental justice neighborhoods. At its core, the Connecticut Green Bank's low-income initiative is successful because of its partnerships with private entities and matched financial contributions. To kickstart the program, the Green Bank supplied \$5 million in debt capital and leveraged its initial investment to attract a matched contribution from a private lender. The Green Bank and a local solar technology company ran joint marketing campaigns in target communities resulting in increased interest and knowledge of the program in low-income and environmental justice neighborhoods. Also because of the partnership, an elevated incentive, about three times its standard solar incentive, was offered for households that earn less than 100% of the area median income. Opening up the availability of partnerships between private, nonprofit, and public entities opens the door to further eliminate financial, marketing, and educational barriers for solar in low-income or minority communities without all burdens falling on the state.

# **Education and Outreach**

Additional funding and attention should be given to the education of the eligible participants in this subprogram. One identified barrier for increasing participation is the complexity of the program and confusion or mistrust of potential participants. However, IPA did not address this in the LTP either by providing additional public outreach or education opportunities. CEJN does acknowledge and appreciate the new additions intended to streamline the process, however, development of public outreach and education efforts will only further the accessibility strengthened by these updates. CEJN encourages IPA to work with community groups and grassroots educators to share information of these programs. Effective execution of educational programs is a process that would lend well to discussion by the working group as advocated for in CEJN's comments above.

For more specifics, CEJN expresses support of the ILSFA Working Groups comment on transparency and general streamlining of the application process in the Low-Income Single- and Small Multi-family Solar subprogram.

<sup>&</sup>lt;sup>46</sup> Michigan Saves: The Nation's First Nonprofit Green Bank, Michigan Saves, (2022), available at <a href="https://michigansaves.org/47.14">https://michigansaves.org/47.14</a>

<sup>&</sup>lt;sup>48</sup> *Green Energy Solutions: Save Energy. Build Opportunity. It all Starts Here.*, Connecticut Green Bank, (2021), available at <a href="https://www.ctgreenbank.com/programs/">https://www.ctgreenbank.com/programs/</a>

<sup>&</sup>lt;sup>49</sup> Solar For All Program: Created Savings for Homeowners (2015- 2021), Connecticut Green Bank, (2021), <a href="https://www.ctgreenbank.com/solarforall/">https://www.ctgreenbank.com/solarforall/</a>

<sup>&</sup>lt;sup>50</sup> *Id*.

<sup>&</sup>lt;sup>51</sup> *Id*.

<sup>&</sup>lt;sup>52</sup> *Id*.

<sup>&</sup>lt;sup>53</sup> *Id*.

<sup>&</sup>lt;sup>54</sup> *Id*.

#### 8.5.5. **Low-Income Community Solar Project Initiative**

The LTP defines a community-based organization as one in which: (a) the majority of the governing body and staff consists of local residents; (b) the main operating offices are in the community; (c) priority issue areas are identified and defined by residents; (d) solutions to address priority issues are developed with residents; and (e) program design, implementation, and evaluation components have residents intimately involved, in leadership positions. CEJN supports the adoption of this definition as it aligns with CEJN ideals regarding energy sovereignty and heavily prioritizes local involvement. CEJN also appreciates the IPA's proposed 25% allocation for both projects within environmental justice communities and energy sovereignty projects. Environmental justice communities have long felt the resulting burden of energy generation and distribution. The intention of CEJA, in part, is to address the inequities borne disproportionately by environmental justice community members under previous regulatory schemes. An appropriate allocation of funds and prioritization of projects in these areas helps to address these burdens. CEJN believes this allocation aptly prioritizes environmental justice communities as well as projects that promote local ownership.

As stated above, CEJN believes flexibility with this LTP is necessary given the novelty of many of the proposals. As such, IPA should reserve the right to revisit this allocation percentage after 2 years of implementation to ensure that the level is appropriate to address overburdened areas and lead to more equitable energy generation. CEJN looks forward to further developing programs that prioritized historically overburdened, disadvantaged, or environmental justice areas.

#### 8.5.6.1 **Eligibility**

IPA proposes defining a "critical service provider" as "a non-profit or public entity that offers critical services to low-income or environmental justice communities and can demonstrate that at least half of their service recipients are considered low income."55 While CEJN believes a qualifier for critical service provider designation may be advantageous to ensure funding is properly allocated for ILSFA's intended target population, there is a concern that this definition itself becomes a barrier for many eligible entities. For example, small, locally run entities may see demonstration as a burdensome or confusing administrative obstacle and thus a deterrence from participation. Also, anonymity or poor recordkeeping at such entities may make demonstration difficult to provide or authenticate. Given these obstacles, a balance must be struck to ensure that the overall goal of equity be realized without putting unnecessary administrative burdens on entities already working to combat systemic oppression and cumulative burdens. Therefore, CEJN urges IPA to contemplate an application scheme that is easily completed and user friendly. CEJN also urges IPA to conduct outreach and education to known critical service providers on expectations for demonstration so that this process may be implemented as efficiently as possible.

CEJN further suggests that IPA adopt a waiver option for entities that inherently meet these requirements based upon the character of services they provide. In preliminary comments, CEJN suggested waiver availability and wishes to echo that comment here. Entities should be offered waiver or exemption from demonstration under this definition if their primary service is education or if they offer services that are inherently used by low-income, minority, or other under privileged individuals. For example, domestic violence centers, homeless shelters, food pantries, transitional housing, and women's or children's shelters all should qualify for exemption upon application as their services inherently serve low-income individuals. Such a waiver could help alleviate administrative burden for entities that clearly meet the requirements by virtue of the services they offer. Of utmost

<sup>&</sup>lt;sup>55</sup> 2022 Long-Term Renewable Resources Procurement Plan: Draft Plan for Public Comment, Illinois Power Agency, (Jan. 13, 2022), at 234.

importance is eliminating all unnecessary barriers of entry or participation of ILSFA programs to effectively realize the intention of CEJA and ILSFA.

If IPA is unable to establish a simplistic, streamlined demonstration process nor a waiver program, CEJN suggests IPA continue to define critical service provider as it has under the current LTP by listing specific entity categories.

# 8.8.1. Job Training and Placement Programs

Under FEJA, specific classes of individuals were given priority for training but not hiring. In fact, most of FEJA's job initiatives focused on training but very few encouraged employment. Unfortunately, even years after implementation, we are left with a highly trained workforce that is largely unemployed. Given FEJA's results, job placement is one of CEJN's highest priorities. Ensuring graduates of Illinois-based energy-specific job training programs receive appropriate job placement assistance, continue to be hired, and hold employment is a crucial objective to effectively implement CEJA.

CEJA expanded the job placement and training aspects to include six programs focused on workforce development to be designed and implemented by DCEO. CEJA also contains a provision regarding solar training pipeline program, implemented by IPA and the Proposed LTP, which is designed to ensure entities and the program provide trainees with the opportunity to obtain real world experience. Further, the Proposed LTP does state "the Agency will seek to ensure that the Illinois Solar for All Program creates employment opportunities for those new workers." However, information beyond that is not available at this time. While these changes, including the pipeline program, certainly align with CEJN's ideals of job placement, CEJN is concerned with the lack of information provided in the Proposed LTP regarding this program. With the information available, CEJN is not able to ascertain any specifics regarding this program nor adequately comment on it.

Due of the lack of information given in the Proposed LTP, the public has not been sufficiently informed nor given opportunity to provide educated comments on the solar training pipeline program. This is particularly concerning given the importance of job placement under CEJA. The Proposed LTP explains the failure to provide specifics on the pipeline program by giving information on the open docket before the Illinois Commerce Commission regarding ComEd's role in workforce development. While this ongoing action is understandably holding up progress with the pipeline program, it should not preclude public participation in the development and implementation. This comment period is simply insufficient regarding this particular aspect of the Proposed LTP. As such, CEJN requests that additional documents regarding the solar training pipeline program and its implementation be released for public review when available and adequate public participation can be supported.

#### 8.9.1. Job Training Requirements

CEJN appreciates IPA's decision to require waivers on a case-by-case basis for ILSFA Approved Vendors who wish to hire outside of the state energy specific training programs. The Proposed LTP states "the Agency will consider requirements for waivers of this requirement on a case-by-case basis if an Illinois Solar for All Approved Vendor can demonstrate that despite diligent efforts at recruitment, job trainees are not available in the area where projects are being installed." CEJN supports this addition to the Proposed LTP and encourages the IPA to examine all such applications of waiver with serious scrutiny to ensure job placement. In consideration of waiver, IPA should determine whether the applicant connected with community groups, posted and actively attempted to recruit graduates on the web-based clearinghouse, recruited at educational institutions in environmental justice neighborhoods, and participated in all other available state incubator and apprenticeship programs. If the applicant failed to take any of those steps, they should not qualify for waiver.

<sup>&</sup>lt;sup>56</sup> *Id.* at 240.

<sup>&</sup>lt;sup>57</sup> *Id.* at 245.

As stated in the comment above, CEJN believes job placement should be prioritized under CEJA. In preliminary comments, CEJN suggested that to encourage job placement, the LTP should require Approved Vendors to hire workers who graduated from state energy specific training programs and to put accountability schemes in place for Approved Vendors who choose not to. The waiver requirement within the Proposed LTP appropriately places accountability upon Approved Vendors and encourages use of the many job placement programs within ILSFA under CEJA while also eliminating a barrier to ensuring geographic diversity of ILSFA projects across the state.

CEJN also suggests that IPA keep record of all waiver recipients. Record of such can help develop data for two purposes: (1) to further accountability for companies attempting to use the waiver option as an easy out of CEJA requirements, thus leading to the company potentially losing the ability to participate in ILSFA; and (2) to identify and understand areas within the state that need additional job training stimulation. If the IPA notices a geographic area that is underdeveloped in available workforce, it may respond by deploying more workforce training, outreach, and job placement programs in that area. This ensures that all areas of Illinois benefit from renewable energy specific jobs.

# 8.12.2. Approach for defining Environmental Justice Communities

CEJN applauds IPA's adoption of a granular scoring system modeled after CalEnviroScreen and enthusiastically supports implementation of this system in addition to the self-designation process under ILSFA and the Proposed LTP.

CEJN submitted preliminary comments to IPA suggesting such a scoring system to better encourage equity. Without this system, ILSFA's environmental justice determination process creates binary results. That is, an area is either determined to be an environmental justice neighborhood or it is not. Every environmental justice area is treated the same under this approach simply by virtue of their characterization. However, environmental justice communities present complexities that do not lend well to binary systems. A binary approach is contrary to the goal of CEJA as it fails to consider the severity of socioeconomic factors, environmental impacts, and overall burden of an area. IPA's proposed shift toward a more granular system allows for appropriate prioritization given to areas of highest environmental and socioeconomic burden to promote environmental equity in environmental justice communities thus realizing CEJA's goal of equity over equality.

CEJN appreciates the IPA's reliance on a set of 11 environmental and 6 socio-demographic indicators provided by USEPA's EJSCREEN. This decision represents a comprehensive analysis of the concept of environmental justice compared to previous and other state designation processes which solely relied on indicators of minority and income. However, CEJN respectfully reminds the agency that this area of environmental policy is ever changing and encourages the IPA to continue growing this approach as environmental justice understanding develops. IPA and other agencies should strive to include all factors that may be helpful to properly identify and prioritize environmental justice areas. All seven factors IPA chose not to include in this Proposed LTP could be used as future cumulative impacts analyses. The simple fact that Illinois might not have as much data on these factors as the others does not mean they should not be included in the future. In fact, the IPA should strive to use factors not within EJSCREEN as they are more specific to this area and pinpoint specific difficulties felt in our state. EJSCREEN is limited to data that are available nationwide. Such limitations of EJSCREEN should not limit Illinois. IPA and other state agencies should continue to collect environmental, socio-demographic, and other data that will help advance cumulative impact analysis within the state to further realize the intent of CEJA and ILSFA. Any environmental justice designation or mapping tool should have flexibility built into its inception so to provide opportunities for growth as additional information and expertise is acquired.

Importantly, the current approach, USEPA's EJSCREEN, and CalEnviroScreen, focus on data derived by census blocks or tracts. This approach does not adequately consider the complexities of communities within Illinois. For

example, this method does not account for communities that may be made up of a combination of high- and low-income areas. If a low income or minority area is located within the same census tract as a white or effluent community, they may be disqualified for environmental justice determination even though they fall within eligibility merely because of their proximity to the non-environmental justice area. <sup>58</sup> CEJN asks IPA to be mindful of this limitation in the current approach and when further developing environmental justice mapping under CEJA and the Proposed LTP.

Overall, CEJN recognizes and appreciates this change as an important step in environmental justice area determination and mapping. CEJN urges the IPA to continue prioritizing the voices of environmental justice groups and impacted individuals as it continues to grow and develop its approach to environmental justice determination. We look forward to continuing to learn and strengthen our approaches under state legislation and hope IPA continues to approach the concept with a flexible and open mind.

#### **II.** Consumer Protection

CEJA requires IPA to propose various program terms, conditions, and requirements applicable to participating entities and project applications. For the most part, the LTP mirrors consumer protections already put into place by the IPA in the current LTP and approved by Illinois Commerce Commission. CEJN participated in preliminary comments regarding the consumer protection provisions of the ILSFA and the Adjustable Block Program (ABP). Overall, the Consumer Protection section of the Proposed LTP aligns with many of CEJN's comments from the preliminary comment period. CEJN offers the following comments to further strengthen this aspect of the Proposed LTP.

#### Section 8.11 Consumer Protections (Illinois Solar for All)

# **Contemporaneous Execution of Standard Disclosures and the Contract**

CEJN opposes IPA's intention to allow for the contemporaneous signing of both the standard disclosures and the ILSFA contract. Currently, an Approved Vendor must first provide the consumer with the standard disclosures which the consumer then signs. Seven days after signing the standard disclosure the consumer may then execute the ILSFA contract. This gives the consumer the opportunity to study the program and decide if they wish to continue with the project. Following the execution of the contract, the Approved Vendor must provide at least a seven-day cancelation period where the consumer may cancel the contract at no cost. IPA removed the seven-day period between the signing of the standard disclosures and the executing of the contract in the Proposed LTP. IPA will then extend the seven-day cancelation period to fourteen days.

CEJN suggests that the IPA keep the current system. By creating the week-long delay between providing the disclosures and contract execution, the consumer is protected from feeling undue pressure to sign the ILSFA contract without full understanding. Under the current system, the consumer has time to study the standard disclosures and decide if the solar system will be beneficial. Once the customer has signed the contract, they must take a proactive step to cancel the contract within the two-week grace period if they choose for any reason not to participate. However, if the consumer chooses not to proceed with the deal within the seven-day period after signing the standard disclosure, the customer needs only refrain from signing the contract. The IPA should retain the original system and require a seven-day gap between signing the standard disclosure and the contract. This

<sup>&</sup>lt;sup>58</sup> One solution to this problem is to incorporate a "buffer zone," typically one mile, around each environmental justice area. For example, IEPA's EJSTART environmental mapping tool uses a one-mile buffer zone around each designated area. CEJN is unsure if this is a perfect solution to this issue but understands that it can work well when used with other approaches incorporated in the LTP. See Definitions and Sources for the Environmental Justice Website (EJ Start), Illinois Environmental Protection Agency, available at <a href="https://www.arcgis.com/apps/webappviewer/index.html?id=f154845da68a4a3f837cd3b880b0233c">https://www.arcgis.com/apps/webappviewer/index.html?id=f154845da68a4a3f837cd3b880b0233c</a>, (last visited Feb. 2, 2022).

structure allows customers time to think without any economic burden or consequence and leads to a more informed and comfortable experience.

In the alternative, should IPA decide to allow contemporaneous signing, CEJN urges the IPA to allow customers the option to choose whether they wish to take the original 7-day period following disclosure signature or sign all documents contemporaneously. Every customer's decision-making process is different and comfort level can change from person to person. There may be barriers such as reading comprehension, translation issues, financial concerns, or general uncertainty or apprehension that can be addressed by allowing customers additional time to consider. Allowing for an option to sign contemporaneously *or* take additional time would allow a customer to choose which they feel most comfortable with. In fact, offering a one-size-fits all timing scheme could act as a deterrent as customers may feel boxed-in. Flexibility is crucial to encourage comfortability of potential customers and overall success of each program under CEJA.

For either option, CEJN reminds IPA that the goal of setting these protections is to ensure that all participants are fully informed, adequately educated, and mutually benefitting from participation in programs under CEJA. Therefore, protections should be built into contracting schemes to ensure that these goals are met for *every* participant.

# **Language of the Contract**

The draft LTP requires the standard disclosures and contract to be provided to a customer in the customer's requested language. It is crucial that the customer understand the terms of their agreement. Issues with translation or language barriers can lead to unethical behavior or a spread of misinformation, or general confusion and distrust. The LTP itself alludes to a history of targeting practices from alternative gas and electric supplies specifically aimed at non-English speaking customers. Given this history, CEJN believes that the burden of requesting a language of the contract should not be placed on the consumer. Instead, it should be the responsibility of the Approved Vendor to ascertain appropriate language and educate the customer on their right to choose contract language. Other states have successfully adopted a similar model. For example, California's consumer solar program requires vendors to provide a contract in the language the salesperson spoke to the consumer. This requirement shifts the burden and requisite knowledge from the customer to the vendors. Using California's system as a template, CEJN suggests that the IPA require the contract be provided in English, in the language that the salesperson spoke to the consumer, and in any other language that the customer requests. IPA must clearly and prominently indicate the right to choose the contract's language on both the standard disclosure form and the contract itself to ensure transparency and accessibility to this consumer protection.

- Marketing and contractual materials must be <u>provided in English</u>, in the <u>language the salesperson or Approved Vendor spoke to the customer</u>, and in <u>any</u> the language requested by the customer. <u>All vendors must clearly disclose to the customer their right to dictate contract translation</u>. The Agency reaffirms its commitment to develop program materials in Spanish and other languages to better reach underserved communities.

#### 9.3.1. Registration Requirements

<sup>&</sup>lt;sup>59</sup> 2022 Long-Term Renewable Resources Procurement Plan: Draft Plan for Public Comment, Illinois Power Agency, (Jan. 13, 2022), at 267.

<sup>&</sup>lt;sup>60</sup> California Solar Consumer Protection Guide Overview & FAQ, State of California (2021) available at https://www.cpuc.ca.gov/solarguide at 3.

CEJN supports the requirement that Approved Vendors, over a certain size, be required to implement internal procedures to ensure that their designees understand the programs and the consumer protection provisions in place to protect their customers. While this may increase the burden on some Approved Vendors, it also ensures that their designees are properly trained and educated. In the LTP, the IPA indicated that there was an increase in the number of consumer complaints revolving around the conduct of designees. As Approved Vendors are ultimately responsible for the action of their designees, a requirement that certain Approved Vendors be required to ensure that their designees understand the programs and laws in place not only serves to protect consumers but also protects the Approved Vendor

However, these requirements should not be unduly burdensome where they serve as a barrier of entry to new companies wishing to become Approved Vendors. In the LTP, the IPA offered a possible compromise of required vetting only for Approved Vendors who meet a threshold number of open projects or designees. This compromise protects smaller, perhaps locally run, companies from being disqualified from participation for financial or staffing issues while also furthering the goals of CEJA in larger companies. CEJN believes this would be the best option as eliminating unnecessary burdens on vendors while upholding the highest possible protection of consumers is crucial to this program.

# 9.3.3. Disciplinary Determinations

#### **Implementation of New Consumer Protection Requirements**

In the Proposed LTP, the IPA outlined the procedure they will follow when modifying or implementing new consumer protection requirements. Whenever possible, the IPA intends to provide for a 45-day lead time to allow Approved Vendors and Designees to implement new changes to consumer protection requirements. CEJN understands the need to allow vendors time to adapt their internal operating procedures to comply with new consumer protection rules imposed by the IPA. However, CEJN is concerned that a delay in the implementation of new consumer protection rules may adversely affect consumers' rights.

To ensure clarity in the implementation of consumer protection requirements, CEJN recommends that the IPA continue with its past procedures and clearly limit the lead time to 45-calendar days. In IPA's Program Guide for the Adjustable Block Program, published on June 4, 2021, the IPA clearly states that it would provide "a 45-calendar day lead time." (Emphasis added). In the proposed LTP, IPA has failed to specify if it will provide 45 calendar days (about 5 weeks) or business days (about 7 weeks) for the implementation of new consumer protection requirements. The two-week difference here is not inconsequential. Such a discrepancy can result in confusion and distrust of the program therefore becoming a barrier to participation. Further, CEJN believes a 7-week lead time is too long to effectively implement and maintain. As such, CEJN recommends that the IPA limit the implementation period to 45 calendar days and clearly state it as such in the Proposed LTP.

A 45 <u>calendar</u> -day lead time will be provided to Approved Vendors and Designees in order to prepare for and implement general changes to consumer protection requirements. Unless otherwise specified, the lead time granted will not prohibit Approved Vendors and Designees from taking earlier steps towards compliance. In situations where the Agency determines that emergency adoption of a new or modified consumer protection is necessary, no lead time will apply; however, the Agency commits to enforce such requirements with an eye toward the practical challenges inherent in immediate implementation.

<sup>61</sup> *Program Guidebook: Adjustable Block Program*, Illinois Power Agency, (June 4, 2021), available here <a href="https://illinoisabp.com/wp-content/uploads/2021/06/ABP-Program-Guidebook-Final-6.4.21-2.pdf">https://illinoisabp.com/wp-content/uploads/2021/06/ABP-Program-Guidebook-Final-6.4.21-2.pdf</a> at 27.

# **The Disciplinary Procedure**

CEJN approves of the disciplinary procedure outlined in the Proposed LTP. Specifically, CEJN believes that the notice of violation, followed by a meaningful but prompt opportunity to speak provides a sufficient balance between the due process rights of program participants and the consumer protection requirements of the act. CEJN agrees with the IPA that no additional process is warranted at this time. As stated in the comments above, CEJN believes flexibility is the backbone to success of these programs. Some issues or complexities in these programs may not become apparent until after implementation. CEJN advocates for flexibility, reassessment, and the ability to complete any necessary revisions of all programs to be interwoven in the Proposed LTP.

# 9.4.1.2. Adjustable Block Program Distributed Generation Minimum Contract Terms

#### **Balloon Loan Payments**

CEJN supports the prohibition on ballooning loan payments. In the proposed LTP, the IPA indicated that they have received a rising number of complaints from consumers regarding ballooning loan payments and loans scheduled to begin before the customer receives an anticipated pass-through of the state-administered incentives under the REC delivery contract. Among the various reasons that the General Assembly created these programs is to allow income-eligible households and qualifying organizations to utilize solar energy and reap the benefits of such a system. A ballooning loan payment takes advantage of these consumers. They may lure them into contracting with a vendor that promises a low initial payment. However, as these payments grow over time, they may threaten the financial security of consumers. The lower initial payment may induce participation in a program but may prove to be unsustainable for or harmful to participants over time. CEJN supports the IPA's plan to prohibit these ballooning payments or any payment system that involves the periodic increase in payments that is outside the consumer's control. This is antithetical to the stated purpose of CEJA. Prohibition of such models will protect consumers from unforeseen and possibly catastrophic economic commitments.

Importantly, CEJN believes that the standard contract terms should allow for early payoff of a loan at the consumer's discretion. This may be beneficial to consumers whose financial resources improve over the life of the loan. Ultimately, programs under CEJA are to benefit all participants mutually, companies should not be profiting over and beyond the profits felt by participants. Penalties for early loan repayment serve no purpose but extending a company's profit margin. As such, IPA should prohibit contract terms that discourage or penalize early loan repayment.

# 9.5.1. Adjustable Block Program Disclosure Forms

# **Minimum Efficiency Requirements**

CEJN appreciates IPA's indication that it will not impose minimum efficiency requirements as a minimum contract term for ILSFA. In CEJN's preliminary comments regarding the Consumer Protection provisions of this Proposed LTP, CEJN indicated that it opposed the designation of sub-optimal systems as deficient. These systems would include north-facing roofs and any system that would have an unusually low expected output. Designating these systems as deficient would only increase the barriers to entry of income-eligible participants. Encouragement of only optimal, more expensive, systems would exclude LMI individuals from participation and

<sup>62</sup> See 20 ILCS 3855/1-56

unnecessarily limit the state's transition to renewable energy generation and usage. CEJN supports efforts to improve consumer education regarding system efficiency to ensure that each consumer makes the best decision for their individual circumstances but believes the choice should rest with the consumer, not the IPA.

CEJN believes that a threshold efficiency system is superfluous. There are already provisions in place that adequately protect a consumer from under-performant systems without the need to create a minimum efficiency standard. For example, section 1-56(b)(2) of the Act requires that ILSFA projects have a tangible economic benefit on the program participants. The IPA has interpreted this requirement to require that all ongoing payments "must be less than 50% of the first year estimated production and/or utility default service net metering value to be received by the customer."63 CEJN believes that these requirements ensure consumers are adequately protected from purchasing inefficient systems. There is no need to impose a threshold efficiency standard as there is already a statutory requirement that the systems provide a net economic benefit to the program participant.

A possible further protection would be disclaimers on all sub-optimal systems. As stated above in these comments, the ultimate goal of consumer protection is that all participants are fully informed and receiving a mutual benefit. Required disclaimers both verbally by salespeople to customers and written into contracts would ensure that the customer was on notice of these systems are considered "sub-optimal" but still eligible under these programs. Each statement regarding sub-optimal quality written within the contract should require customers to initial indicating this aspect of their purchase has been explained to them. CEJN proposes IPA allow for sub-optimal system eligibility with a disclaimer that ensures all customers are fully educated prior to purchase.

# **Balloon Payment Disclosures**

Balloon payments pose a significant financial danger to participants of the ABP. As discussed above, CEJN implores the IPA to prohibit balloon payments within minimum contract terms to protect customers from unexpected or insurmountable economic commitments. However, if the IPA chooses to allow this financing model, the IPA should ensure that there are clear disclosures that indicate expectations, fee schedules, and any possible consequences of a ballooning loan payment.

Regulatory agencies in the mortgage industry require clear standard disclosures when executing a mortgage that includes a balloon payment. The Bureau of Consumer Financial Protection requires mortgages that have balloon payments to clearly state the existence and amount of the payment.<sup>64</sup> Further, California's Mortgage Loan Disclosure Statement extends this warning by stating in bold lettering that if the borrower does not have the funds to pay balloon payment when it becomes due, the borrower "may have to obtain a new loan... to make the loan payment."65 These warnings provide crucial information about the specific loan and the dangers of a balloon payment and are necessary for the borrower to make an informed decision.

IPA should adopt a similar standard disclosure form that clearly specifies if a loan agreement imposes a balloon payment, the amount of the balloon payment, a fee schedule or further breakdown of expected payments, the date that the balloon payment is due, and any opportunity afforded to the customer to cancel or opt out of the balloon payment. Finally, to support complete transparency, the form should also indicate that the balloon payment is not a requirement to participate in the program. This disclosure should also clearly state that there are other options that do not involve balloon payments that the consumer may choose. All disclosures relating to balloon payment models should be printed in the contract in bolded lettering and require customer initials to be complete.

<sup>64</sup> For a sample TILA disclosure form that indicates a loan will impose a balloon payment: TILA RESPA Integrated Disclosure,

Consumer Financial Protection Bureau, (Feb. 7, 2014), https://files.consumerfinance.gov/f/201403 cfpb loan-estimate baloon-

payment-H24E.pdf

<sup>&</sup>lt;sup>63</sup> See §8.2.2. of the Long-Term Plan

<sup>65</sup> Mortgage Loan Disclosure Statement (Traditional), State of California Department of Real Estate, (2022) available at https://www.dre.ca.gov/files/pdf/forms/re882.pdf.

# 9.8. Consumer Protection Working Group

CEJN values IPA's intention to schedule regular meetings of the Consumer Protection Working Group. However, the Long-Term Plan does not specify which consumer protection groups and stakeholders will be allowed to participate in the Consumer Protection Working Group Meetings or if these meetings will be made public. CEJN believes in the complete transparency of consumer protection issues. In line with this goal of transparency, CEJN requests that these meetings be made public and for IPA to implement a standard procedure by which members of the public and interested organizations can request to participate in these meetings. CEJN echoes the suggestion of a listsery on IPA's website as articulated in the comment regarding the ILSFA working group above.

CEJN provides general comments on the logistics of working groups in the ILSFA section of these comments and would like to echo the same here. Each working group should be run in generally the same manner to increase consistency. Adoption of a general working group structure throughout CEJA implementation to promote consistency and reliability would be highly beneficial to all interested stakeholders, but especially the public. At a minimum, working group meetings should convene at least twice monthly, offer accessibility options such as language interpretation and printed transcripts, and involve members of the public, relevant agencies, utilities, and private companies participating in these programs. More specifically, CEJN implores IPA to mirror the working group redlines available in the ILSFA section of these comments.

# III. Adjustable Block Program

## 2.8.1.1. Adjustable Block Program – Projects

CEJN appreciates IPA's continued commitment to monitoring and publishing the locations of projects within the Adjustable Block Program. Lack of geographic diversity for projects within some of the program's categories, particularly community solar project, has been an ongoing concern for CEJN, as reflected in its preliminary comments submitted for this Proposed LTP. CEJN is encouraged by IPA's acknowledgment of these concerns and believes that the active monitoring and transparency included in the final LTP will help ensure that any disparities in projects' geographical locations will not increase under the new plan.

CEJN also asks that IPA continue to seek flexible, new strategies to ensure that there is ongoing geographical diversity of projects. As stated throughout these comments, CEJN implores IPA to adopt a standard working group structure to address each program under CEJA. There are potential impacts or misgivings that may be unforeseen prior to implementation that will need to be addressed swiftly and effectively. CEJN believes building flexibility into the LTP and providing a regularly convened forum to discuss any necessary revisions will allow for these plans to grow with the renewable energy industry and consistently lead to equitable results.

# 7.2. Program Administrator

CEJN supports the inclusion of professional introductions and networking connections as services provided as part of the mentorship/training program for minority-owned, woman-owned, veteran-owned, disability-owned, and small businesses. One of the core concepts CEJN voiced during CEJA drafting and implementation was that training alone is not enough to help underrepresented groups enter the renewable energy field. This was also reflected in CEJN's preliminary comments on the mentorship program. Businesses owned by minorities, women, veterans, and other such groups face extra hurdles breaking into the market that training alone cannot overcome. These obstacles include a general lack of access to financing and less professional connections. CEJN believes that providing professional introductions and personal networking to these small businesses will be properly address these obstacles and prove to be a step towards giving them priority access into the market. CEJN

encourages IPA to continue to explore new, creative resources that the mentorship program can provide to help these businesses succeed.

# 7.3.5. Uncontracted Capacity at the Close of a Delivery Year

CEJN supports IPA's proposed prioritization scheme for reallocating uncontracted capacity at the close of each delivery year. One of the IPA's primary goals under CEJA is promoting the participation of traditionally underrepresented groups entering the renewable energy market by giving them "priority access." The priority system outlined in 7.3.5. provides extra support for traditionally underrepresented, equity-based businesses by giving them the first priority consideration for leftover capacity, a valuable resource, at the end of each delivery year. CEJN believes that this proposed scheme, particularly first consideration going to EEC projects, will advance CEJA's equitable goal.

## 7.4.4. Public Schools

CEJN enthusiastically supports IPA's proposal to prioritize public schools located within environmental justice communities for projects within this category. Public schools often serve as major hubs within any community, but this is especially true within traditionally disadvantaged communities, which are often also environmental justice communities. Ensuring that these communities are given the prime priority for this category of projects, it directly advances the goal of providing traditionally underserved communities access to renewable energy resources while also directly benefiting a major community educational resource.

However, importantly, CEJN calls IPA's attention to the obstacles and burdens born by Tier 1, Tier 2, and Environmental Justice schools that were never present for schools in more effluent areas. Such obstacles faced, often due to geographic and socioeconomic landscapes, are ignored under the Proposed LTP. As written, this program treats each category of school the same, except for prioritization. This kind of approach leads to equal, but not equitable, results which does not comport with the intention of CEJA. As a possible solution, CEJN suggests IPA adopt a REC price schedule which contemplates already available funding, and geographic, socioeconomic, and cumulative environmental impacts of the public school's area and students.

Considering IPA's request for specific changes, CEJN expresses support for the REC price schedule and considerations articulated in the Illinois Solar for All Working Group's comments to the Proposed LTP.

#### 7.7.2. Equity Eligible Contractor Application Process

#### **Eligibility**

CEJA includes an Equity Accountability System that is rightly designed to prioritized disadvantaged and minority contractors for renewable energy specific projects. Equity eligible contractors (EECs) are contractors that fall into the prescribed categories and are intended to receive a set portion of contracts under CEJA and the Proposed LTP.

However, as written the LTP allows for *only* Approved Vendors to be eligible for application for EEC contracts. This interpretation is entirely contrary to the intention of CEJA's mandate as it inherently excludes EECs. At this time, CEJN is not aware of any Approved Vendors or Approved Vendor Aggregators that will qualify for EEC designation under CEJA or the LTP. This means that, at the opening bell, there are no available participants to this program. An EEC would first need to procure Approved Vendor certification then apply as an EEC which would lead to undue delay. It would also lead to disqualification of EEC eligible participants that do not fall into the qualifications an Approved Vendor. Therefore, this program will inevitably fail if reform is not incorporated into the LTP.

Instead, CEJN proposes the IPA allow participation of any company that may qualify as an EEC, not just Approved Vendors. Each company should submit to EEC qualification in order to get the characterization but need not be an Approved Vendor or work with an Approved Vendor Aggregator. This would be possible by allowing a combination of EECs and non-EECs to bid projects or portfolios of projects into the EEC subprogram. CEJN's suggested edits to the LTP language incorporating this comment are offered below.

# **Percentage of Equity-Eligible Persons**

The provided language does not specify that an "applicant" must be the Approved Vendor or the Approved Vendor Aggregator. While the term "applicant" is not defined in CEJA, CEJN believes the underlying intent of the concept is to support and incentivize equity-eligible persons to own or participate in the renewable energy industry. Therefore, the term "applicant" should include EEC at all levels including subcontractors who have significant involvement, Approved Vendors, Approved Vendor aggregates, and any other EEC significantly involved in the project.

A narrow interpretation of "applicant" could result in harm to an EEC's success under CEJA and in the industry in general. If this definition only applies to Approved Vendors, then all prioritization and funding goes to a certified Approved Vendor while otherwise equity eligible individuals are discouraged from owning or operating a renewable energy specific business. Funding in this category could be underutilized, especially in the interim between the effective dates of the Clean Energy Prime Contractor Accelerator and Clean Energy Contractor Incubator programs, as there are no eligible Approved Vendors currently in the market.

The requirements for qualification within the Proposed LTP are confusing in that it is unclear how many or what percentage of equity-eligible persons partaking in the project are required to qualify as an EEC. Based on the language before us, CEJN believes IPA is proposing to require all EECs to be made up of 100% equity-eligible individuals. This requirement is completely unrealistic considering the industry today and will result in no applicants qualifying for EEC designation. CEJN reminds the IPA that the renewable energy market in Illinois, and many other states, is in infancy. Given the stage in which the market is in at this time, it needs to be given the appropriate room and flexibility to grow. An inflexible requirement of 100% equity-eligible persons to qualify as EEC is unworkable and will result in under-utilization and discouragement of these participants.

As such, CEJN implores IPA to adopt a flexible standard of a significant portion, instead of 100%, of the subcontracting chain being made up of equity eligible persons. Qualifying individuals include all participants of the project, including subcontractors and Approved Vendors. This standard should be eligible for reassessment and revision within 2-years of the effective date of the Proposed LTP and again in increments of 2-years as long as the program is in effect.

For additional specifics, CEJN supports a flexible goal as outlined in the comments submitted by the Illinois Solar for All Working Group.

CEJN's suggested edits to the LTP language to address the articulated EEC issues are offered below:

<u>Industry participants</u> <u>Approved Vendors</u> that wish to submit projects into the equity eligible contractor (EEC) category must first apply to be certified as an EEC. They may do so in conjunction with their Approved Vendor application, <u>if applying for such</u>, or at any time <u>before participation in CEJA programs</u>. <u>after submitting their initial Approved Vendor Registration</u>.

If the <u>Approved VendorEEC applicant</u> is organized as a corporation, general partnership, limited liability partnership, limited liability company, or limited

partnership, the applicant will be asked to designate which owners, partners, or proprietors meet the EEC eligibility criteria. Similarly, if the <u>EEC applicant Approved Vendor</u> is a non-profit, the applicant will be asked to provide the board membership of the non-profit and designated which board members meet the EEC eligibility criteria. However, if the <u>Approved VendorEEC applicant</u> is a sole proprietor, no additional designations are required.

An <u>Approved VendorIndustry Participant</u> can qualify for an EEC certification by <u>demonstrating that <u>having at least a significant portion or majority of those employed under the project identify as status under at least one of the following four categories:</u></u>

- Persons who graduated from or are current or former participants in the Clean Jobs Workforce Network Program, the Clean Energy Contractor Incubator Program, the Illinois Climate Works Preapprenticeship Program, Returning Residents Clean Jobs Training Program, or the Clean Energy Primes Contractor Accelerator Program, and the solar training pipeline and multi-cultural jobs program created in paragraphs (a)(1) and (a)(3) of Section 16-108.21 of the Public Utilities Act
- Persons who are graduates of or currently enrolled in the foster care system
- Persons who were formerly incarcerated
- Persons whose primary residence is in an equity investment eligible community.

EEC applicants will be required to complete an EEC certification in addition to the general Approved Vendor attestation and application. This certification must be completed by each owner or board member in the organization used to establish EEC status.

The applicant will be asked if it would like to be identified as an Equity Eligible Contractor on the public list of Approved Vendors EECs on the illinois.abp.com and illinoisshines.com web sites; willingness to be publicly identified as an Equity Eligible Contractor on those sites is not required for maintaining EEC status.

All certified EECs Approved Vendors will be listed on public project application reports and potential other public reports.

#### IV. Diversity Equity and Inclusion

# 10.1.2. Proposed Implementation Timeline

CEJN encourages IPA to consider reevaluating the proposed implementation timeline, specifically regarding commencement of educational programs and training. While CEJN appreciates that compliance plan submission does not begin until the 2<sup>nd</sup> quarter of 2023, CEJN believes that waiting until the 4<sup>th</sup> quarter of 2022 to begin educational programs may not allow an adequate amount of time for all interested groups to become fully informed. Instead, CEJN encourages IPA to begin initial compliance plan education and training as soon as it

reasonably can, ideally during the 2<sup>nd</sup> or 3<sup>rd</sup> quarter of 2022. CEJN believes that providing more time for groups to access educational materials and training before plan submission deadlines will help ensure that more interested businesses participation and less issues upon submission leading to required revisions slowing down the processes during the first wave of plan submission.

Additionally, CEJN encourages IPA to offer trainings at a wide variety of different times, including outside of normal business hours, to encourage participation by all interested parties. Restricting trainings only to during working hours can make it difficult for smaller businesses, a subset of targeted participants under the LTP, to attend. In some cases, attendance during a working day can become a greater financial strain than gain for small businesses thus becoming a deterrence to participation. CEJN believes that these two changes better reflect the overall goal of improving access for small businesses owned or operated by equity eligible persons.

# The IPA proposes the following timeline for the Minimum Equity Standard Compliance Plan. Implementation will be divided into two phases:

- 1) Compliance Plan Initial Education (4<sup>th</sup>-2<sup>nd</sup> quarter 2022)
- a. Educational webinar to include review of Compliance Plan standards, submittals, corrective actions, and final approval
- 2) Compliance Plan Training (1st-3rd quarter 20232022)
- **a.** Distribution of application materials and training for applicants
- 3) Compliance Plan Initial Applications ( $2^{nd}$  quarter 2023)

# 10.1.3.1. Waiver for the Minimum Equity Standard

CEJN supports the requirement that businesses seeking equity standard waivers must first work with community organizations to meet equity standards in the hiring process. This requirement addresses a concern that companies will use the waiver process as an "easy out" to avoid equitable hiring contrary to the goals of CEJA. Placing this prerequisite on companies planning to apply for a waiver is an appropriate way to ensure all avenues have been taken by the company to meet equity standards. This would also further the unstated goal of ensuring that these businesses are actively trying to hire in major community hubs.

CEJN believes that community organizations can be a vital connection for businesses and equity eligible employees as they often have more robust connections in the community than businesses. Many equity-eligible communities harbor a distrust for similar programs and participant companies. As such, requiring each company to work with a community organization stimulates a sense of safety and trust for all participants. This also encourages participation of local organizations as grassroots educators and includes them on the ground-floor of the accountability system IPA is building. CEJN submitted preliminary comments to this Proposed LTP suggesting activities that should be considered grassroots education, many of which were centered around local organizations providing job placement services to bridge the gap between companies and equity-eligible individuals. This requirement appropriately encourages such community engagement.

To further strengthen this requirement, CEJN suggests that IPA also include language encouraging businesses to conduct entry-level recruitment at high schools and colleges within environmental justice communities before applying for a waiver. Such schools can be a direct point of access for equity eligible job-seeking individuals within the community that may be missed by other sources, such as training program facilities or state workforce hubs. This also provides a channel for stable, renewable energy specific careers to reach environmental justice

area youths. CEJN believes such recruitment, focused on environmental justice, low-income, or otherwise disadvantaged communities can stimulate job placement for equity-eligible individuals and further the important goals of CEJA.

The Agency will grant waivers where the applicant provides evidence of significant due diligence toward meeting the minimum equity standards. These efforts should include:

- Brief narrative describing the entity's effort to recruit Equity Eligible Persons prior to the start of project development. [...]
- ii. Evidence that the entity conducted recruitment and solicitation at educational institutions, including high schools and colleges, in environmental justice and equity eligible communities.
- <u>iii.</u> Evidence that the entity attended and actively participated in locally run job fairs in environmental justice or equity eligible communities.

Thank you for your attention to these comments. CEJN looks forward to continuing to work with IPA and the various agencies involved in CEJA implementation. Please do not hesitate to contact us with any questions or clarifications about the above comments and suggestions contained herein.

# Sincerely,

kwalther1@kentlaw.iit.edu jberjikian@kentlaw.iit.edu

/s/ Keith Harley
/s/ Cassandra Hadwen
/s/ Kenneth Walther
/s/ Jonathan Berjikian
Attorneys for the Chicago Environmental Justice Network
Greater Chicago Legal Clinic, Inc.
17 N. State, Suite 1710
Chicago, IL 60602
(312) 726-2938
chadwen@kentlaw.iit.edu