

ATTACHMENT

February 22, 2022

PSG Energy Group Redlined Revisions to Excerpts from the Illinois Power Agency's Draft 2022 Long-Term Renewable Resources Procurement Plan

7.4.4 Public Schools

The Public Schools category includes Small and Large Distributed Generation projects as well as community solar projects that serve a public school in Illinois.¹ The Public Schools category will generally comprise at least 15% of the ABP capacity. Public Schools projects ~~may will also~~ feature 20-year REC delivery contracts that pay for RECs over time as they are delivered, ~~or rather than~~ reflect the front-loaded payment schedule previously used under the ABP.

For this category, public schools are defined as any school operated by the authority of the Illinois School Code.² Public school projects located within Environmental Justice Communities or located on schools that are categorized as a Tier 1 or Tier 2 school based on the latest annual Evidence-Based Funding Distribution process by the Illinois State Board of Education shall be given priority in the allocation process.³

To achieve the desired prioritization, 70% of capacity will be allocated to schools categorized as Tier 1, Tier 2, and schools located within Environmental Justice Communities and 30% will be allocated to Tier 3 and Tier 4 schools not located within Environmental Justice Communities. Tiers will be determined using the prior year results of the annual Evidence-Based Funding Distribution process conducted by the Illinois State Board of Education.⁴ Capacity will be further allocated by size within these two groups of school types. 25% of each allocation will go to projects less than or equal to 250 kW, 50% to projects greater than 250 kW and less than or equal to 1 MW, and 25% to projects greater than 1 MW AC in size.

For each delivery year, if any of the above allocations are not filled within 180 days, projects located at a public school will be accepted on a first come, first serve basis regardless of Tier, Environmental Justice Community location, or project size.

8.5.6.1 Eligibility

Given that the objective of the Illinois Solar for All Program is in part “to bring photovoltaics to low- income communities,”⁵ it is reasonable to infer that only non-profits and public sector customers that in some manner serve low-income communities should be eligible. However, the Act could also be interpreted such that all non-profits and public facilities would be

¹ For the December 14, 2021 block opening of capacity for Public Schools, only DG applications were accepted.

² See: 105 ILCS 5.

³ Illinois State Board of Education Evidence-Based Funding Distribution process:
<https://www.isbe.net/Pages/ebfdistribution.aspx>

⁴ Details can be found at Evidence-Based Funding Distribution Calculation (isbe.net) and Environmental Justice Community Search Map (arcgis.com)

⁵ 20 ILCS 3855/1-56(b)(2).

eligible to participate. Because current funding levels are such that only a few large projects might make up the whole of the Non- Profit/Public Facilities budget in a single program year, focusing available funds on low-income and environmental justice communities to align with the legislative objectives has been the Agency's approach.

To balance these objectives, initially Illinois Solar for All Approved Vendors will have to demonstrate that the project:

1. Meets the standards described in Section 8.9 related to projects having sufficient connection to, and input from, low-income community members;
2. Is sited within an environmental justice community⁶ or low-income community;⁷
3. Serves the electricity load of a building that is occupied by an organization that is a critical service provider for the community⁸ (e.g., youth centers, hospitals, homeless shelters, senior centers, community centers, places of worship); if a public facility, the building must host a department/agency that is a critical service provider meeting this standard; and
4. The Approved Vendor must either certify that the project's owner will not apply for the federal Investment Tax Credit in relation to the project installation, or if it will apply for the Investment Tax Credit, then the savings level for the participating host of the project must be 65% of energy value rather than 50%.

As described in Section 8.12.4, 25% of available funding in this sub-program will be targeted to environmental justice communities, and 25% will be targeted for energy sovereignty projects that result in ownership by eligible customers.

For this draft 2022 Plan, the Agency 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. The Agency welcomes stakeholder feedback on this proposal.

Additionally, ~~the Agency proposes disallowing public schools from eligibility for the Non-Profit/Public Facilities sub-program due to new language in Section 1-75 establishing a category in the Adjustable Block Program specifically to serve public schools, as well as ongoing high interest in the subprogram exceeding available funding. Similarly,~~ the Agency proposes disallowing multifamily residential distributed generation projects from participation in the Non-profit/Public Facilities sub-program since these types of projects qualify to apply for the Low-Income Large Multifamily Solar sub-program.

DMS 22097913v1

⁶ As defined by the methodology outlined in Section 8.12.2 of this Revised Plan.

⁷ A "low-income community" for this purpose is defined as a census tract where at least half of households are not exceeding 80% of AMI.

⁸ If the building is not owned by the organization or public agency, then either a lease with at least five years remaining on it, or a commitment by the building owner to lease the facility to a critical service provider for at least five years must be provided.