

## **Diversity, Equity, and Inclusion Questions**

### **Request for Stakeholder Feedback**

**November 12, 2021**

#### **Background**

On September 15, 2021, Governor Pritzker signed the Climate and Equitable Jobs Act ([Public Act 102-0662](#)) into law. This Act includes significant changes to the Illinois renewable portfolio standard, with the requirement a new Long-Term Renewable Resources Procurement Plan be published no later than 120 days after the effective date of the Act.

The Illinois Power Agency (“IPA” or “Agency”) is seeking feedback on certain topics in preparation for publishing its updated Long-Term Renewable Resources Procurement Plan on January 13, 2022 in compliance with P.A. 102-0662. This feedback may be utilized by the Agency to help form the content of that draft Plan, with stakeholders having additional opportunities for comment after that draft Plan is published.

Through this Request for Stakeholder Feedback, the Agency is seeking feedback on considerations related to increasing diversity and equity in the renewable energy industry that can be supported through the Agency’s programs and procurements. Please note that questions related specifically to the Equity Eligible Contractor category of the Adjustable Block Program are contained in the separate for stakeholder feedback for that program.

**Responses to this Request for Stakeholder Feedback should be submitted to the IPA by December 3, 2021. Written responses should be emailed to [IPA.Contactus@Illinois.gov](mailto:IPA.Contactus@Illinois.gov) with the subject “Responder’s Name – Response to Diversity, Equity, and Inclusion Comment Request.”**

In general, responses will be made public and published on the [Illinois Power Agency](#) website. Should a commenter seek to designate any portion of its response as confidential and proprietary, that commenter should provide both public and redacted versions of its comments. Independent of that designation, if the Agency determines that a response contains confidential information that should not be disclosed, the IPA reserves the right to provide its own redactions.

#### **Stakeholder Feedback Questions**

Section 1-75(c)(1)(P) of the IPA Act (as created by Public Act 102-0662) requires that the Agency’s programs and procurements be “designed to encourage participating projects to use a diverse and equitable workforce and a diverse set of contractors, including minority-owned businesses, disadvantaged businesses, trade unions, graduates of any workforce training programs administered under this Act, and small businesses.”

1. To achieve this goal should the Agency conduct proactive outreach to businesses and organizations to promote IPA programs and procurements?
2. Should the Agency consider incentives to Approved Vendors based on subcontractor diversity (incentives could either be financial in terms of REC price adders, or in the form of prioritization or streamlining of project applications)?

Section 1-75(c-10) of the IPA Act (as created by Public Act 102-0662) requires the establishment of an equity accountability system that,

*is successful in advancing priority access to the clean energy economy for businesses and workers from communities that have been excluded from economic opportunities in the energy sector, have been subject to disproportionate levels of pollution, and have disproportionately experienced negative public health outcomes. Further, it is the purpose of this subsection to ensure that this equity accountability system is successful in advancing equity across Illinois by providing access to the clean energy economy for businesses and workers from communities that have been historically excluded from economic opportunities in the energy sector, have been subject to disproportionate levels of pollution, and have disproportionately experienced negative public health outcomes.*

With the next Long-Term Plan scheduled to be approved in July of 2022, equity accountability requirements would not begin to apply until the delivery year that starts June 1, 2023.

3. If equity commitments start at 10% of project workforces, and must increase to 30% by the 2030 delivery year, how should the Agency implement that increase be an even ramp-up over that time (e.g., 2.5% per year), or on a different schedule? Should the requirements vary in different regions of the state? Should percentages be adjusted in each successive Long-Term Plan based on observations of prior years' progress?
  - i. What challenges will exist to meet the initial 10% requirement? Are there significant variations to consider in different areas of the state? Section 1-75(c-10)(1) references "at least 10% of the project workforce for each entity" as the minimum starting requirement.
  - ii. Should this requirement apply to work conducted starting in the delivery year starting June 1, 2023 regardless of when the project application was approved, or only for new applications received on or after June 1, 2023?
  - iii. Should the agency apply different growth rates of the minimum requirement for different project categories and/or geographic regions? If so, what criteria should the agency use to determine those different rates of growth?
4. How should "project workforce" be defined for equity accountability provisions? Does it cover just construction and installation activities, or should it also cover work on sales, marketing, finance, etc.? If so, how should those activities be defined and how should the percentages be calculated? (For example, for sales how would time spent on unsuccessful leads be accounted for?)

Entities participating in Agency procurements are required to file annual compliance plans and reports related to meeting equity accountability requirements.

5. What specific items should be required in those compliance plans? Should the report at the end of the delivery year simply update that plan or should it be a wholly new document?
6. How should compliance with workforce requirements be applied given the potential lag between the year an Approved Vendor's project receives a REC delivery contract and the year (or years) work is undertaken to build them?
7. For the Adjustable Block Program, should the Agency employ compliance goals by category, or across all categories (with the EEC category presumably requiring full compliance)?

Section 1-75(c-10)(3) requires the Agency to “develop requirements for ensuring that the competitive procurement processes, including utility-scale solar, utility-scale wind, and brownfield site photovoltaic projects, advance the equity goals of this subsection” and to “develop bid application requirements and a bid evaluation methodology for ensuring that utilization of equity eligible contractors.”

8. What types of criteria might such a methodology include?
9. Would simply requiring that winning bidders use at least a certain percentage/number of equity eligible contractors be sufficient to comply with this section?
10. Should the agency consider an approach that takes bids out of purely price order to prioritize bids that support a higher number of equity eligible contractors or that direct a larger proportion of project revenue toward equity eligible contractors?

Section 1-75(c-10)(4)(C) calls for the establishment of a “program for approved vendors, designees, eligible persons, and equity eligible contractors to receive trainings, guidance, and other support from the Agency or its designee regarding the equity category outlined in item (vi) of subparagraph (K) of paragraph (1) of subsection (c) and in meeting the minimum equity standards of this subsection (c-10).”

11. What are the recommended approaches to provide this training, guidance and support? For example, should it be through educational events, classes, published guidelines, or mentorships?

Section 1-75(c-10)(4)(E) provides for a process through which an applicant may apply for a waiver of the minimum equity standards, where they can show “evidence of significant efforts toward meeting the minimum equity commitment.”

12. Other than the criteria listed in that section (“use of the Energy Workforce Equity Database, efforts to hire or contract with entities that hire eligible persons”), are there any other types of information that the agency should consider when evaluating an application for a waiver?

The Agency is tasked with conducting a study of racial disparity and discrimination that focuses on the effectiveness of the equity actions system to increase participation of equity eligible persons and equity eligible contractors. This study is to be published within one year of when contracts are awarded that account for equity actions.

13. Given that the equity accountability requirements do not begin until June 1, 2023, when is the earliest that this study should be conducted?
14. Are there interim reports or studies that should be considered?
15. How should the need to conduct a disparity study inform the Agency's data collection requirements and ongoing data analysis efforts?

16. Are there helpful examples that the Agency can draw from for how to best prepare for a disparity study, conduct that study, and modify program requirements thereafter? Are there specific firms and organizations with whom the Agency should consider a partnership?