

Illinois Solar For All Program 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 provisions related to the changes to Section 1-56 of the Illinois Power Agency Act related to the Illinois Solar for All Program (“ILSFA”).

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 with the subject “Responder’s Name – Response to Illinois Solar for All 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

Interaction with other funding/grant opportunities:

Public Act 102-0662 creates several new funding opportunities that are external to the Illinois Solar for All Program but could help support projects and participants in the Program. These include the Climate Bank at the Illinois Finance Authority, the Illinois Clean Energy Jobs and Justice Fund, and the Equitable Energy Upgrade Programs.

1. The boards of these entities could include solar developers who participate in ILSFA. What considerations and protections should be put into place to prevent conflicts of interest?
2. Should adjustments to REC prices or required savings levels be considered for projects utilizing these programs, similar to the increased savings level currently required for non-profit/public facilities projects that utilize the Investment Tax Credit?

3. Are there other external funding opportunities which the Agency should account for in establishing ILSFA incentive levels?

Environmental Justice Communities

Public Act 102-0662 directs that the environmental justice communities as defined for ILSFA be used in defining the location of “equity investment eligible communities.” Section 8.15 of the current Long-Term Plan details the CalEnviroScreen indicators that were applied to determine the census tracts that would be designated using data from the US EPA’s EJSCREEN tool, which is update yearly. ILSFA’s EJ maps have not been updated (other than through the community self-designation process) since early 2019, which used EJSCREEN data published in 2019, calculated from data collected by the U.S. Environmental Protection Agency between 2014 and 2019.

4. When and how frequently should the environmental justice maps be updated using the most recent EJSCREEN data?

Grassroots Education Funding

Section 1-56(b)(3) of the IPA Act (as modified by Public Act 102-0662) includes language that specifies that grassroots education funding be used to “assist in community-driven education efforts related to the Illinois Solar for All program, including general energy education, job training program outreach efforts and other activities deems to be qualified by the Agency,” with the caveats that funds go to “community-based groups and other qualifying organizations” and that “funding shall not be used to support the marketing by solar project development firms and organizations, unless such education provides equal opportunities for all applicable firms and organizations.”

5. The current model of grassroots education utilizes localized education campaigns conducted by grassroots non-profits familiar to their communities. What types of “other activities” could be funded through community-based groups and other qualifying organizations that could further “community-driven education efforts”?

Energy Sovereignty

Section 1-56 (b)(2)(A) of the IPA Act (as modified by Public Act 102-0662) directs the IPA to reserve a portion of sub-programs for projects promoting 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.” It also specifies that “local people have control of the project and reap benefits from the project over and above energy bill savings.” Questions related to energy sovereignty for specific sub-programs are asked below. The following are general questions across sub-programs.

6. What should be a general standard for “ownership? Is it majority ownership, full ownership, or some other standard?
7. Should requirements for ownership be defined over a specific time period? For example, to take advantage of federal tax incentives should project financing models that include the transfer of ownership after a set period of time be allowed? If so, what should be the consequences if ownership is not transferred?

8. How should “providing services to low-income households” be defined and measured? Can the Agency’s current approach of critical service providers used for the non-profit/public facilities sub-program be used as a proxy?
9. Should REC prices be higher for projects that promote energy sovereignty? What factors should be considered as drivers of higher costs for these projects? What provisions should be included to ensure that the benefits of those higher prices flow through to the project owners?
10. Are there other provisions that should be considered for projects that promote energy sovereignty such as different project application requirements, collateral requirements, project development timelines, etc.?

Distributed Generation Sub-program

Section 1-56 (b)(2)(A)(ii) of the IPA Act (as modified by Public Act 102-0662) instructs the Agency to “make every effort to enable solar providers already participating in the Adjustable Block program [in the small distributed generation block] to easily participate in the [1-4 unit distributed generation] program [...] and vice versa.”

11. What barriers do developers of small distributed generation projects who participate in only the Adjustable Block Program face that could be reduced to promote their participation in ILSFA?

The Program Administrator has taken a number of steps to ease access to ILSFA in the past program year, including creating an offers sheet listing standard offers available from ILSFA Approved Vendors, creating a referral process to connect interested potential participants with Approved Vendors, and the option for the potential participant to complete the income verification process with the Program Administrator directly. Although activity in the LIDG sub-program has grown slightly in the past year, this sub-program still needs substantial growth.

12. What are other ways that ILSFA Approved Vendors can be supported to increase interest in developing ILSFA residential solar projects?
13. How can Approved Vendors be supported to encourage project development in areas that are currently underserved by ILSFA Approved Vendors?
14. If recommending changes to REC prices, what specific cost components would need adjustment?
15. What should ongoing stakeholder engagement/feedback process look like to inform efforts to expand LIDG development?

Illinois Solar for All has a requirement that incentives deliver tangible economic benefits to eligible low-income participants. In master-metered buildings, program eligibility currently requires the owner to commit to passing along at least 50% of the energy savings to all the tenants, regardless of income levels, and communicate that these benefits are a result from the installation of solar.

16. How can “tangible economic benefits” be better defined?
17. What does energy sovereignty look like for multi-family projects?

Non-Profit and Public Facility Sub-program

Public Act 102-0662 of the IPA Act (as modified by Public Act 102-0662) expands the Adjustable Block Program in Section 1-75 (c)(2)(K)(iv) directing the creation of a block dedicated for solar projects installed at public schools, with priorities for projects located within environmental justice communities.

18. Since the Adjustable Block Program will now include a category specifically for public schools should public schools no longer be eligible to participate in ILSFA?
19. Are there types of schools that wouldn't qualify under Section 1-75(c)(2)(K)(iv) that should still be considered eligible for ILSFA?

Section 1-56 (b)(2)(E) of the IPA Act (as modified by Public Act 102-0662) creates a new sub-program for low-income large multifamily solar projects, with incentives targeting residential buildings with 5 or more units.

20. Should multifamily residential housing be no longer eligible for the Nonprofit/Public Facilities sub-program and only eligible for the new low-income large multifamily solar sub-program?

Section 8.6.3 of the current Plan requires the organizations that host of Nonprofit/Public Facilities projects to be "a critical service provider for the community," and provides examples of "youth centers, hospitals, schools, homeless shelters, senior centers, community centers, places of worship, affordable housing providers including public housing sites." Section 4.2 of the [ILSFA Approved Vendor Manual](#) expands on these examples to a list of over 25 other qualifying non-profit entities, and Approved Vendors have requested the Program Administrator consider other entities as a Critical Service Provider.

21. Should the criteria for critical service providers be refined to include a requirement that the facility demonstrate that it provides a majority of its efforts/activities to low-income participants.
22. Are there changes to the list of critical service providers that should be considered?

Low-Income Community Solar sub-program

Section 1-56 (b)(2)(B) of the IPA Act (as modified by Public Act 102-0662) detailing the Low-Income Community Solar sub-program states, "The Agency shall reserve a portion of this 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, or community-based limited liability companies providing services to low-income households. Projects that feature energy ownership should ensure that local people have control of the project and reap benefits from the project over and above bill savings.

23. What does community ownership of a community solar project look like?
24. How can the financial risks to communities that come with long term ownership be managed? In particular, costs associated with subscriber acquisition and turnover, subscriber/bill management, and equipment maintenance such as future inverter replacements?
25. What factors should be considered in determining appropriate incentives for projects demonstrating energy ownership?
26. What would individual ownership by a low-income household in a community solar project look like?

27. What benefits constitute “over and above bill savings”?

Equity/Workforce Development

Section 1-56 (b)(5) of the IPA Act (as modified by Public Act 102-0662) states that “The third-party administrator’s responsibilities shall also include facilitating placement for graduates of Illinois-based renewable energy-specific job training programs, including the Clean Jobs Workforce Network Program and the Illinois Climate Works Preapprenticeship Program administered by the Department of Commerce and Economic Opportunity and programs administered under Section 16-108.12 of the Public Utilities Act. To increase the uptake of trainees by participating firms, the administrator shall also develop a web-based clearinghouse for information available to both job training program graduates and firms participating, directly or indirectly, in Illinois solar incentive programs.”

28. How should “facilitating placement” go beyond sharing of information between graduates and potential employers?

29. What are key features a clearinghouse should offer?

30. How can the Program Administrator ensure that trainee and job listings are updated regularly by the appropriate parties?

Section 1-56 (b)(2) of the IPA Act (as modified by Public Act 102-0662) states that “The Agency shall make every effort to ensure that small and emerging businesses, particularly those located in low-income and environmental justice communities, are able to participate in the Illinois Solar for All Program. These efforts may include, but shall not be limited to, proactive support from the program administrator, different or preferred access to sub-programs and administer-identified customers or grassroots education provider-identified customers, and different incentive levels.”

31. What should be the definition of “small and emerging businesses”? May businesses be either “small” or “emerging”? At what point is a business no longer “small and emerging”, and how should the Agency track those business-specific changes?

32. What specific barriers are unique or particularly acute to small and emerging businesses?

33. How should small and emerging businesses in low-income and environmental justice communities be specifically targeted for support?

34. If different incentive levels (increased REC prices) are warranted, what methodology should the Agency employ for considering higher small and emerging business incentive levels?

Section 1-56 (b)(2) of the IPA Act (as modified by Public Act 102-0662) states that “The Agency shall strive to ensure that renewable energy credits procured through the Illinois Solar for All Program and each of its sub-programs are purchased from projects across the breadth of low-income and environmental justice communities in Illinois, including both urban and rural communities, are not concentrated in a few communities, and do not exclude particular low-income or environmental justice communities.”

The Project Selection Protocol as refined for the 2021-2022 program year implemented a Regional Environmental Justice Score point attribute in the Low-Income Community Solar sub-program to prioritize selection of community solar projects in areas where the distribution of selected projects is disproportional to the region’s distribution of environmental justice communities.

35. Previous stakeholder feedback, including that received during the summer of 2021 for the development of the now withdrawn draft Second Revised Plan, suggested the need for stability and sufficient advance notice of changes to the Project Selection Protocol. If the

Project Selection Protocol is further updated when should that new Project Selection protocols take effect? Should it be for Program Year 2022-23 (beginning Summer 2022) or Program Year 2023-24 (beginning Summer 2023)?

36. How should the Agency promote development in underserved areas if a sub-program is not oversubscribed and thus requiring use of the Project Selection Protocol and instead the sub-program is accepting projects on a first-come, first-served basis?