



Stakeholder Feedback Request for the 2024 IPA Long-Term Plan Chapter 8 – Illinois Solar for All

June 8, 2023

The Illinois Power Agency is soliciting feedback on various topics as the Agency develops the 2024 Long-Term Renewable Resources Procurement Plan. Stakeholders are invited to comment on as many of the following items as they would like and may provide comments beyond the scope of these specific questions. Responses will be published on the IPA Website under the “Plans and Development” section of the Procurement Plans page. A draft of the plan will be released for public comment on August 15, 2023.

Please note that the Illinois Power Agency is exploring many ideas and points of view as it considers how to improve its programs, procurements, and operations. The inclusion of an idea or question does not necessarily imply that the IPA intends to take a specific approach in the upcoming Long-Term Plan or otherwise.

How to Reply

Please provide comments via email attachment to IPA.ContactUs@Illinois.gov with the subject “[Responder’s Name] – Chapter 8 LTP Feedback” by June 29, 2023. If comments include any proprietary information, please include a redacted version of the comments for public posting.

Topics

1. [Energy Sovereignty](#)
2. [EJ Self-Designation Committee](#)
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TOPIC 1: Energy Sovereignty

Background

Section 8.5.1 of the Long-Term Plan states:

As noted above in Section 8.2.4, Section 1-56(b)(2)(A)(i) of the IPA Act requires the Agency to reserve “a portion” of Illinois Solar for All “for projects that promote energy sovereignty through ownership of projects” by eligible entities. [...]

The Agency will reserve one-quarter (25%) of the funds in each of the four sub-program budgets for projects that promote energy sovereignty, with an additional bonus for distributed solar projects.

Projects that feature or facilitate ownership of projects by low-income households or other entities listed in Section 1-56(b)(2)(A)(i) meet this requirement.

The 25% Energy Sovereignty carveouts were implemented with the ILSFA 2022-2023 Program Year, and produced the following results:

| Sub-Program | Sovereignty Projects Selected | Selected Sovereignty Projects Value | Selected Sovereignty Project Capacity (kW/AC) | Percentage of Carveout Achieved | Sub-program Carveout Amount |
|---------------------|-------------------------------|-------------------------------------|---|---------------------------------|-----------------------------|
| Residential (Small) | 3 | \$72,033.63 | 23.6 | 1% | \$6,844,431.50 |
| Residential (Large) | 0 | \$ - | 0 | 0% | \$6,844,431.50 |
| NPPF | 19 | \$10,478,486.56 | 4,375.4 | 249% | \$4,205,532.50 |
| Community Solar | 1 | \$6,946,142.19 | 2,000.0 | 95% | \$7,345,127.25 |
| Total | 23 | \$17,496,662.38 | 6,399.0 | 69% | \$25,239,522.75 |

Current [Project Selection processes](#) for the 2022-2023 and 2023-2024 program years, include a provision that in the first nine months of the program year, projects that include both Environmental Justice and Energy Sovereignty features are not counted against the Energy Sovereignty carveout. After the ninth month, the remaining Energy Sovereignty sub-program carveouts are reduced by the value of any Energy Sovereignty projects in Environmental Justice communities, which had been previously excluded from the carveout. This prevents individual projects from reducing both carveouts for the first nine months of the program year, to promote the greatest number of projects with these to designated funding portions.

In the current transition from the 2023 to 2024 Program Year, in the Community Solar sub-program, \$6,946,142.19 of the \$7,345,127.35 carveout incentives were awarded to projects, leaving \$398,985.16 in that sub-program’s Energy Sovereignty carveout available through the end of the program year. Only \$72,033.63 in Residential (Small) project incentives went to Energy Sovereignty projects, and none in the Residential (Large) sub-program. In the Non-profit and Public Facilities sub-program, the \$4,205,532.50 Energy Sovereignty goal was easily met almost two and a half times with \$10,478,486.56 in incentives towards qualified Energy Sovereignty projects.

Questions

1. Is a 25% sub-program carveout for energy sovereignty projects an appropriate goal for all sub-categories?
2. In the current Project Selection protocol, the 25% Energy Sovereignty carveouts are held for the full program year, but reduced after the ninth month by the value of any Environmental Justice projects with Energy Sovereignty that were instead counted under the EJC carveout. Is this an appropriate approach? Should the carveout release remain as-is, last the full program year, or more simply be released for non-sovereignty sub-program projects after 9 months?
3. What barriers might prevent Small DG participants from choosing to own their system? How can the Agency facilitate more residential energy sovereignty projects?
4. What obligations or restrictions should be considered for a subscriber wishing to sell their ownership share in a community solar project?

TOPIC 2: EJ Self-Designation Committee

Background

The Agency determines which areas qualify as Environmental Justice Communities (EJCs) as detailed in section 8.12. of the Plan, by Illinois census block groups, incorporating various environmental indicators from the U.S. Environmental Protection Agency’s EJSCREEN Tool, such as air toxics cancer risk, respiratory hazard index, diesel PM, ozone, and proximity to hazardous sites. Communities that are not determined to be EJCs in this process can request self-designation as an EJC through the [Environmental Justice Community Self-Designation Process](#). The Process includes an Environmental Justice (“EJ”) Community Self-Designation Committee that evaluates submitted self-designation requests. The Committee is comprised of 6-8 members (3-4 representatives from Elevate Energy, 1-2 from the IPA, and 2 Environmental Justice experts). The Committee reviews proposals and makes the final determination as to whether the community in question is designated as an Environmental Justice Community. Currently, the Plan does not address member term lengths of the EJ Community Self-Designation Committee nor a process for cycling in new members. The Agency is interested in feedback on establishing terms and/or procedures for EJ Community Self-Designation Committee members.

On June 1, 2023, ILSFA updated its [Environmental Justice Communities map](#), which includes census block groups determined as self-designated environmental justice communities. In this update previously designated Self-Designated Environmental Justice Communities were maintained. In preparation for future updates, the Agency is seeking feedback on how Self-Designated Environmental Justice Communities should be maintained or retired in future updates.

Questions

1. Should self-designated areas have a “time limit” on how long they are to be considered self-designated, and if so, how long?
 - a. Or, should we conduct an impact analysis based on block groups? If so, how often should the analysis be performed?
2. To date, the Environmental Justice expert members have been asked to commit to a 1-year term on the self-designation committee, and afterwards is then asked annually to see if they’d like to continue to serve on the committee. Should there be limits to how long committee members may serve and, if so, how long should it be?
3. Are there other recommendations for the makeup of the EJ Community Self-Designation Committee?

TOPIC 3: Distributed Generation Sizing

Background

The Agency recognizes growth in electrification incentives and efforts to promote the replacement of fossil fuel reliant technology with renewable energy reliant technology. Electrification may increase electricity consumption, thus creating demand for higher electric production to offset the increased demand. Federal incentives included in H.R. 5376 (known as the “Inflation Reduction Act” or “IRA”) such as electric vehicle, heat pump and other electric appliance purchases are initial steps toward widespread future

electrification. At the same time, electrification incentives are still being finalized and are not yet widely available to Illinois income-eligible residents.

As a common industry best practice, the Agency believes that energy efficiency and electrification efforts should be done prior to development and installation of a distributed generation system so that the system can be properly sized to a customer's actual usage, rather than an estimated usage that is guessing the additional electricity costs of equipment not yet installed or purchased. While there are industry standards for estimating the impact on a customer's bill, in actuality there is a wide variance in the actual impacts due to a wide variety of contributing factors unique to each customer's residence/building and the equipment that is used.

The Agency remains determined to ensure proper use of ILSFA program funding and finding a balance in the sizing of ILSFA projects that acknowledges the potential for future electrification, but is not oversized to a point where the customer is unable to utilize the credits generated from the system, which would be a waste of Program incentives that could be utilized with other eligible customers.

The Agency proposes setting sizing limits on projects based on the percentage of current electricity usage:

- **Residential (Small and Large) Solar:** 150 percent limit of recent 12 consecutive month usage¹
- **Non-Profit and Public Facilities:** 110 percent limit of recent 12 consecutive month usage²

Questions

1. Should the proposed caps on the sizing of a Distributed Generation systems in the ILSFA program be higher or lower?
2. To what extent should potential electrification efforts be considered in the calculation of Distributed Generation sizing caps? Are there any additional considerations the Agency should be aware of in its oversizing determinations?
3. To what extent should specific electrification plans be in place for the customer to justify an oversized system? What timeline of electrification
4. Should the Agency allow for projects to be over the proposed limits on a case-by-case basis? If so, what requirements and/or proof should be required for projects that want to exceed the limit (i.e., written proof of plans and/or purchases of new or upgraded electrical systems)?

TOPIC 4: ILSFA Community Solar Subscription Sizing

Background

_____ In preparation for the future, the Agency is interested in feedback surrounding electrification and how it should be considered in ILSFA subscription sizing determinations. See *Topic 6: Distributed Generation Sizing* for additional background on electrification.

Prior to changes to net metering enacted through Public Act 102-0662 (The Climate and Equitable Jobs Act) community solar credits were limited to a customer's supply charges only, and the Agency considered community solar subscriptions in relation to a customer's current usage, with the intention of offsetting the electric supply costs of the customer's usage, as opposed to the delivery charges and other usage costs. With

¹ Reasonable considerations will be made where customer does not have consecutive 12 months at current residence.

² Reasonable considerations will be made where customer does not have consecutive 12 months at current residence.

tariff changes implemented to conform with Public Act 102-0662, community solar credits may now be applied to both supply and delivery costs for ComEd customers currently, and by late 2023 for Ameren.

Section 1-10 of the IPA Act defines the term “subscription as, “[...] an interest in a community renewable generation project expressed in kilowatts, which is sized primarily to offset part or all of the subscriber’s electricity usage.” With previous tariff limits determining that credits could only apply to supply charges, the Agency has thought of a customer’s community solar subscription as tied to offsetting a customer’s supply charges.

With these changes, the Agency is considering how available community solar capacity can best be utilized, with a balance between providing greater bill reductions for participants, and serving more eligible participants with opportunities to benefit from Program savings.

Similar to Distributed Generation, the Agency proposes setting sizing limits to subscriptions in the case of Community Solar. The Agency notes that, unlike an installed distributed generation system, a community solar subscription may more easily be adjusted. See below for the Agency’s recommendations.

- **Community Solar Subscriptions (Individually based)**: 110 percent limit of recent 12 consecutive month usage³

Questions

1. Should Community Solar subscribers be allowed to subscribe to a greater number of kWh than anticipated usage?
2. If tariffs now allow credits to be applied to charges beyond the electricity supply charges, should the Agency consider a different subscription limit based on the kWh used? If so, what would that recommended limit look like?

TOPIC 5: Eligible Job Trainees and Job Training Requirements

Background

The ILSFA program requires that Approved Vendors utilize Eligible Job Trainees from qualified job training programs. Eligible Job Trainees can come from one of two types of Qualified Job Training Programs: Public Act 102-0662 (colloquially known as “CEJA”) and Public Act 99-0906 (colloquially known as “FEJA”) Workforce Development Programs, or Other Qualifying Programs (“OQPs”). ILSFA Approved Vendors may also hire eligible trainees from an Other Qualifying Program (OQP), so long as they can demonstrate that completion of the job training program would lead to the eligible trainee becoming a Qualified Person under the [83 Ill. Adm. Code 468.20](#). Eligible Job Trainees are currently considered Eligible Job Trainees by completing CEJA or FEJA job training programs within the past 36 months or completing 50 percent of classroom requirements of an OQP in the past 24 months.

Following [83 Ill. Adm. Code § 468.20](#), students of an OQP must complete at least 50 percent of classroom requirements of one of the following to be considered an Eligible Job Trainee:

- An apprenticeship as a journeyman electrician from a DOL registered electrical apprenticeship and training program

³ Reasonable considerations will be made where customer does not have consecutive 12 months at current residence.

- A North American Board of Certified Energy Practitioners (NABCEP) distributed generation technology certification program
- An Underwriters Laboratories (UL) distributed generation technology certification program;
- An Electronics Technicians Association (ETA) distributed generation technology certification program;
- An associate degree in applied science from an Illinois Community College Board approved community college program in the appropriate distributed generation technology.

The Agency is specifically interested in reviewing the second bullet point “A North American Board of Certified Energy Practitioners (NABCEP) distributed generation technology certification program” which is ambiguous on what NABCEP training and/or certifications can be used to achieve a Qualified Person status (or coursework approval for an OQP) since NABCEP does not list this exact certificate title within their [Certifications](#).

ILSFA has received multiple OQP applications that indicate that the graduates of those OQPs will receive the NABCEP PV Associate Credential. The NABCEP PV Associate Credential is separate from the Board Certifications offered through NABCEP. The NABCEP PV Associate Credential is described as a Program that “recognizes individuals who have demonstrated knowledge of the fundamental principles of the application, design, installation, and operation of Photovoltaic, Solar Heating or Small Wind energy systems.” Additionally, NABCEP notes that “passing a NABCEP Associate exam qualifies an individual to design, sell, install, or maintain systems in a supervised capacity,” for more information about the NABCEP PV Associate Credential visit: <https://www.nabcep.org/certifications/associate-program/>

The Agency believes that the NABCEP PV Associate Credential may similarly reflect the skill sets of FEJA job training programs, which prepare job trainees for entry level positions in the solar industry, but seeks further public comment.

Additionally, ILSFA Approved Vendors have reported to ILSFA that the cycling of job trainees from OQPs after a 24-month period places a burden on Approved Vendors to release those job trainees from employment instead of maintaining them on staff, especially amongst smaller businesses.

Questions

1. Is a curriculum resulting in NABCEP Board Certification necessary for sufficient preparation for the kinds of work assigned to ILSFA job trainees?
2. Should a NABCEP Associated Credential training option alone be a sufficient curriculum to qualify an Other Qualifying Program? If so, should 100% of classroom requirements completion be required, compared to the 50% or more classroom completion requirements for existing options, detailed above?
3. Should a waiver option be made available for Approved Vendors to extend the cycle of a job trainee by an additional (1) year after the initial 2-year cycle in order to comply with the job training requirements?
4. Should the waiver described above be limited to smaller Approved Vendors with less than 50 employees? Allowing smaller Approved Vendors to retain their current workforce from FEJA or OQP programs without having to let job trainees go. Are there any other recommendations for limits to a waiver?

TOPIC 6: Prevailing Wage and Job Trainee Requirements

Background

Prevailing wage is a minimum compensation level by county set by the Illinois Department of Labor for construction activities related to public works. House Bill 3351, passed on May 17, 2023, but not yet signed into law, would amend Section 1-56 (b-15) of the IPA Act (20 ILCS 3855) to require that individuals engaged in the construction of applicable projects submitted to the Illinois Solar for All that obtain a REC contract are paid the prevailing wage.

The provisions would apply to Illinois Solar for All projects submitted after the effective date of the legislation, *except* 1) projects serving single- or multi-family residential buildings and 2) projects with an aggregate capacity of less than 100 kilowatts that serve houses of worship. Effectively, this would impact community solar projects and Non-profit and Public Facilities projects (excepting projects under 100 kW that are serving houses of worship).

Section 1-56(b)(2) of the IPA Act contains two provisions that are designed to ensure that the job trainees supported by the job training programs participate in the installation of photovoltaic projects supported by the Program, thus making job trainees participant of construction activities related to public works and subject to Prevailing Wage.

On September 16, 2022, [H.R. 5376](#) (known as the “Inflation Reduction Act” or “IRA”) became Public Law 117-369. The IRA features several solar related tax incentives. More specifically, the Business Energy Investment Tax Credit (ITC) which includes base credits and additional bonus credits such as the Energy Community Bonus, Low-Income Community Bonus, Low-Income Residential Building or Low-Income Economic Benefit and/or Domestic Content Bonus. Additionally, the IRA established prevailing wage and apprenticeship requirements for the qualification of larger systems to receive the full base credit. The Agency is interested in exploring the IRA further and examining how its implementation will affect ILSFA stakeholders and/or be considered within the ILSFA program.

Questions

1. Now that the prevailing wage requirement will likely apply to many Illinois Solar for All projects, how should prevailing wage requirements be considering a job trainee’s entry-level experience? Should job trainees be subject to the requirement at all?

TOPIC 7: Use of CleanChoice Settlement Funds

Background

In 2020, the Environmental Law & Policy Center brought a formal complaint against the alternative retail electric supplier CleanChoice Energy alleging violations of marketing requirements (Illinois Commerce Commission [Docket 20-0499](#)). In early 2023, the parties settled the case. The Final Order approves the settlement agreement, included in Attachment A, which provides for the payment of \$525,000 to the Illinois Power Agency “*for the Illinois Solar for All Program.*” The money will be provided to the Agency in three equal installments. The first installment of \$175,000 has already been received, and the

final two installments will be paid in 2024 and 2025. Because the settlement language only indicates that the money is for ILSFA, the Agency has significant flexibility in how to utilize the additional funds. The Agency is interested in innovative ideas for how the money could be spent, especially to address needs that the Agency may not have the ability to address with other funds.

Questions:

1. What are potential ways that the Agency could use the settlement money, and what are the benefits and drawbacks of each?
2. Are there ways that the Agency could use the money that would address gaps in ILSFA that the Agency cannot otherwise address? If so, what are they?

TOPIC 8: Community Solar Subscription Reporting

Background

Section 4.2.d. of the [2022 REC Contract](#) details and included in [Exhibit C-2 \(Community Solar First Year Report\)](#), that a Community Solar project must maintain at least:

- 1) The percent of Actual Nameplate Capacity that has been Subscribed by the Anchor Tenant and,
- 2) the percent of Actual Nameplate Capacity that has been Subscribed by End Use Customers, after the issuance of the Community Solar First Year Report throughout the remainder of the Delivery Term.

After the first year and for the remainder of the Delivery Term, the IPA is required to calculate the Subscription share percentages of the Anchor Tenant and End Use Customers, by first calculating as a Daily Average and then averaging across the Delivery Year. This calculation is based on the Subscription Start Date and End Date as provided by the Approved Vendor and entered in REC Annual Reporting.

The IPA proposes that in lieu of calculating and using a Daily Average, Approved Vendors would provide quarterly customer subscriber lists to the Program Administrator. This would allow the Program Administrator and IPA the ability to ensure that subscription thresholds are met. This process of providing quarterly customer lists to the Program Administrator is currently conducted and required prior to the issuance of the Community Solar First Year Report.

Questions

1. Should the verification of community solar subscription levels shift to quarterly reporting instead of Daily Average reporting after the first year of the project? [Note: This change would only be effective for future contracts and not retroactive for currently approved projects.]
2. In lieu of Daily Average calculations from data provided by Approved Vendors in their REC Annual Reporting, should Approved Vendors provide quarterly customer lists to the Program Administrator after the issuance of the Community Solar First Year Report?

TOPIC 9: Single Project Approved Vendor

Background

Currently, there are four types of Approved Vendors that can play a role in developing projects for ILSFA: 1) Approved Vendors, 2) Aggregator Approved Vendors, 3) Designees, and 4) Single Project Approved Vendors (“SPAVs”). SPAVs must register using the SPAV Registration form and can develop a single project within ILSFA (or Illinois Shines, but not both), with a total system capacity of at least 50 kW. SPAV registration may also be used by an entity that is registering with ILSFA to facilitate the transfer of an already approved Illinois Solar for All project from one Approved Vendor to another.

The Single Project Approved Vendor model was designed to accommodate project hosts that would want to manage their own REC contract, and would not have further projects under ILSFA or Illinois Shines, and thus could be subject to fewer program requirements.

The following ILSFA requirements are *not applicable* to SPAV applications:

- Standard (or formal) contracts between the Approved Vendor and program participant/system host
- The use of standard Disclosure Forms
- The presentation of ILSFA standard brochures to the customer.

In reality, the Single Project Approved Vendor designation in ILSFA has been mostly used by solar developers assigning projects to LLCs, and sometimes selling those projects/LLCs to other solar developers. Under current program definitions and procedures, a developer that has purchased multiple LLC projects is not required to register as an Approved Vendor themselves.

For additional information on the limitations and requirements of SPAVs see sections 7.7.2, 7.10.7, and 8.9 of the 2022 Long-Term Plan and section 3 of the Approved Vendor Manual.

This model of acting as an SPAV, who only has one project and operating under a more limited set of requirements, was created with the intent that there are certain projects where the Approved Vendor model may not be completely appropriate. With similar intent, the Agency is considering the following changes and/or additions related to SPAV registration:

- 1) Streamlining the SPAV registration application for situations where a project is acquired or transferred: The Agency proposes that an abbreviated application be made available for the previously described situation, which will focus on the assignment process and any relevant changes to the project in the assignment process (rather than details of the project which had already been obtained and addressed during the initial project application).
- 2) In an effort to maintain transparency for participants and compliance with ILSFA requirements, the Agency proposes that any entity that purchases more than one SPAV must be required to register as an Approved Vendor or Aggregator Approved Vendor.

Questions

1. Are there changes to the Single Project Approved Vendor definition or requirements that could provide greater accountability for Approved Vendors and entities acquiring Single Project Approved Vendors and associated projects?
2. How could the Single Project Approved Vendor model or other Approved Vendor types be adjusted to accommodate an entity host that is developing multiple projects on properties they own, but is not otherwise involved with solar development? For example, if a library district is interested in building multiple projects across their branches, currently the library district would not be eligible as a SPAV and would have to follow the requirements of an Approved Vendor, which may be burdensome for smaller and limited scope projects like that of the library district.

- a. What considerations, if any, should be made for such an entity's Approved Vendor and project registration with respect to the requirement to describe plans for community involvement in the application?
 - b. Should such an entity be required to submit plans for community involvement?
 - c. Is the definition of "community" for such an entity and projects substantively different than for other Approved Vendor registrations and projects?
3. What concerns, if any, are there about creating an abbreviated SPAV application for project assignments and transfers?
 4. Are there any issues with the timing of the purchases/assignments relative to construction that would impact the proposed requirement that any entity that purchases more than one SPAV be required to register as an Approved Vendor or Aggregator Approved Vendor?

TOPIC 10: Illinois Finance Authority ("IFA") Resources

Background

Included in the IRA is the addition of Section 134 to 42 U.S.C. § 7434 (colloquially known as the "Clean Air Act"), giving the U.S. Environmental Protection Agency (EPA) the ability to establish the [Greenhouse Gas Reduction Fund](#) ("GGRF"). As detailed by the EPA, the goals of the GGRF "*are to (1) reduce emissions of greenhouse gases and other air pollutants; (2) deliver benefits to low-income and disadvantage communities; and (3) mobilize financing and private capital to stimulate additional deployment of greenhouse gas and air pollution reducing projects.*" The EPA has created two grant awarding programs to incentivize these goals.

The Illinois Finance Authority ("IFA") has hosted listening sessions related to Stakeholder Feedback for the GGRF and how the IFA can coordinate with GGRF efforts. In addition to the IFA's work with GGRF, IFA is responsible for the [Illinois Climate Bank](#). CEJA defines the Climate Bank purpose as "*(1) the distribution of the benefits of clean energy in an equitable manner, including by evaluating benefits to eligible communities and equity investment eligible persons; (2) making clean energy accessible to all, especially eligible persons, through financing opportunities and grants for minority-owned businesses, as defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, and for low-income communities, eligible communities, environmental justice communities, and the businesses that serve these communities; and (3) accelerating the investment of private capital into clean energy projects in a manner reflective of the geographic, racial, ethnic, gender, and income-level diversity of the State.*"

Although the GGRF and the IFA's work are still nuanced and in development, the Agency recognizes similar goals that the GGRF and IFA are trying to achieve in its own goals for ILSFA. Thus, the Agency is interested in input on how ILSFA should take into consideration these programs.

Questions

1. Are there models in other states that IPA and IFA could look to in designing any application to the EPA's Greenhouse Gas Reduction Fund ("GGRF") and it's Solar for All competition funding?
2. What financial offerings or mechanisms would be most useful to ILSFA AVs and customers from a state Climate Bank?