To: Illinois Power Agency @ IPA.ContactUs@Illinois.gov

From: The IL Solar for All Working Group of the ICJC: Chapter 8 LTRRPP Feedback

Re: Comments on 2026 LTRRPP

Date: September 29, 2025

The Illinois Solar for All Working Group appreciates the opportunity to comment on Chapter 8 of the Agency's 2024 Long Term Renewable Resources Procurement Plan. Please find our comments below.

Signatories:

A Just Harvest
ARF Solar LLC
Central Road Energy LLC
Citizens Utility Board
Faith in Place
Illinois Environmental Council
Prairie Rivers Network
Seven Generations Ahead
Vote Solar
Xolar

8.2.3 Small and Emerging Business Development

The IL Solar for All Working Group (the Working Group) suggests an alternative definition (below) for small and emerging business following conversations with several ILSFA Approved Vendors that are relatively new to the Program, have moderate annual revenue (all under \$4M), and have struggled to master all of the requirements to participate and compete in Illinois Solar for All.

Each of the ILSFA AVs we had discussions with noted the long on-ramp to arriving at the juncture of submitting ILSFA projects into the program portal. For instance, one AV explained that it took them five years, starting as a designee, to get to the point of understanding the IL Shines and the ILSFA programs, to qualify, and to be ready to submit projects. Another AV is in its 7th year, and is still struggling to master the systems and obtain the upfront capital necessary to develop projects.

A third AV commented that it would make more sense to define emerging in terms of years from a certain business transaction, particularly given the new, sometimes confusing, and iterative nature of the ILSFA Program. For instance, perhaps a business is emerging if less than three years have passed since its first project submittal to the ILSFA portal. Another agreed with this approach, noting that "three years doesn't make a lot of sense," given the newness and complexity.

Another "small" AV told us it took them six years to fully master the program and project portal, with the company having to "tweak a lot of things along the way to make it a viable business

model," only to experience "larger companies sweeping in" and claiming large portions of the budget in PY8.

Given this highly relevant and important feedback, we suggest an alternative definition for a "small and emerging business," that does not include the number of years in business in light of the range of experiences of ILSFA AVs and their struggles to master the various requirements and processes, but instead relies on an annual gross revenue threshold alone. We do not support an employee headcount and do know that 50 employees is not reflective of any small business working in the ILSFA Program. Not one of our contacts has more than 10 employees. As an alternative, we recommend defining a small and emerging business as one that has an annual revenue less than \$4M (small) with the following maximum number of projects for the small residential, community solar, and nonprofit/public facility subprograms, respectively (emerging): 75, 2, and 15. As an alternative, based on our contacts, for the emerging part of the definition, this could instead be defined as licensed to do business in Illinois for less than 8 years. However, we believe that the project cap better encapsulates the concept of emerging, as different companies experience bottlenecks to solar installations and may still be getting off the ground, making the number of projects more consistent with the concept of emerging.

The Working Group is concerned with the possibility of a larger AV gaining access to "small and emerging business" benefits by selling and constructing projects and using a true "small and emerging business" to aggregate the RECs. We strongly encourage the Agency to explore guardrails to prevent such abuse of the system and ensure benefits are truly directed toward "small and emerging businesses," and to include such guardrails in the final Plan. The Working Group recommends that companies seeking to operate as aggregators be required to register as Approved Vendor Aggregators and that these entities be excluded from the designation of "small and emerging businesses."

As such the Agency proposes to define a "small and emerging business" as any for profit entity, independently owned and operated with annual revenues less than \$4 million. Redline p. 334

Alternative:

As such the Agency proposes to define a "small and emerging business" as any for profit entity, independently owned and operated with annual revenues less than \$4 million that has completed the following maximum number of projects for each subprogram: 75 small residential, two community solar, or 15 nonprofit/public facility. Redline p. 334

The Agency proposes to continue to define "emerging business" as a business that has been authorized to do business in any U.S. state for less than three years. Redline p. 334.

The Agency proposes to allow any entity that meets the above definition of "small and business," or the above definition of "emerging business," or both above definitions to qualify as a "small and emerging" business for purposes of administration of ILSFA and Illinois Shines.

Redline p. 335.

8.2.3.1 Small and Emerging Business Collateral Obligations

The Working Group supports collateral support for small and emerging businesses and found universal support for this measure among the small (i.e., under \$4M/revenue/year) ILSFA AVs we consulted. We also support the 5 project cap on this benefit; we assume this is per program year, however, the frequency should be clarified as such in writing.

To facilitate continued increases in small and emerging business participation in ILSFA, the Agency will allow small and emerging businesses focused on identifying and addressing potential burdens these entities face. As such, the Agency proposes to deduct the 5% collateral requirement from the REC payment for Approved Vendors who satisfy the definition of a small and emerging business, rather than having it due after contract execution. Redline p. 336

8.2.3.2 Small and Emerging Business Project Submission Considerations

The ILSFA Working Group supports the provision of a period of early exclusive access to the project portal for small and emerging businesses, and found universal support for this measure among the small ILSFA AVs we consulted with.

To ensure small and emerging businesses have sufficient opportunity to participate, the Agency proposes having the option to will allow eligible small and emerging businesses to submit projects for a period of 10 business days time before submissions are opened to all Approved Vendors in a given sub-program in either the initial submission window or subsequent rolling submission opening. The Agency will set an annual developer cap of 5% of subprogram capacity for the small and emerging businesses that utilize access to either exclusive window opening. Redline p. 336

8.5.1 Energy Sovereignty

The Working Group supports the continuation of the energy sovereignty adder, but suggests further investigation into the most appropriate price at which to set it. Further scrutiny of the adder level may be appropriate given (1) the additional expense of the adder in the midst of competitive submissions and decreasing budgets and (2) the fact that no-cost offers are the norm. We want to be clear that the Working Group views energy sovereignty as important and the adder as an important piece of the puzzle to enable it. Nonetheless, we suggest the Agency explore what role the ES adder plays as an AV incentive, and what if any change may be needed to continue such critical enticement while balancing prudence in the face of decreasing budgets.

The Residential (Small) sub-program received 512 submissions that featured energy sovereignty representing 4.47 MW of expected capacity, exceeding the 25% funding at 64% of the subprogram budget, and the Residential Solar (Large) saw two submissions that featured energy sovereignty totaling 0.2 MW of expected capacity. Combined, the 2024-25 Program Year included 549 project submissions that featured energy sovereignty with an expected capacity of 10.03 MW and \$33,347,822.62 of incentives value, with 29% of the total budget for the 2024-25 Program Year featuring energy sovereignty projects. In addition, t The Agency, through the

ILSFA Independent Evaluator will conduct a mid-year report on energy sovereignty to determine what additional benefits homeowners are realizing through this program and what price adder is needed to continue to entice Approved Vendors into the residential subprogram. . -how to increase opportunities for even more participation Redline p. 357

8.5.2 REC Pricing

The Working Group has, for the past several years, suggested abandoning the current modeling used to set REC prices and replacing that with a market based approach. That is, REC pricing changes should be determined through an evaluation of the program results, rather than modeling. The Agency should address the following questions when determining what, if any, changes in REC prices are needed:

- Is the subprogram getting applications for and awarding REC contracts to a variety of project sizes?
- Is the subprogram getting applications for and awarding REC contracts to projects throughout the state?
- Are the recipients of the solar arrays' benefits in the nonprofit and public facility program achieving ownership?
- Are savings being passed to the recipients of the solar arrays' benefits above the minimum requirements?
- Is there a healthy level of competition that results in the ability to prioritize and fund projects that best meet the goals of the program?
- Are new equity eligible contractors and small and emerging businesses entering the program?
- Are minority/woman-owned business enterprises (MWBEs), small and emerging businesses, and equity eligible contractors (EECs) successfully participating in the subprogram year after year?
- Are the law's equity goals regarding workforce hiring being met?
- Is sufficient work being generated to provide opportunities for individuals completing CEJA workforce hub and Illinois Department of Corrections Solar training programs?

We refer you to our "IL Solar for All Working Group-Stakeholder Feedback on the REC Price Model for the 2025-2026 program year" dated March 26, 2025 document for a detailed look at how a market based approach for the NP/PF subprogram could be implemented.

We are very concerned for the future of the program and the workforce that the program is trying to develop with the upcoming loss of the Investment Tax Credit. We have internally discussed other ideas, such as a "name your own REC price" program that also might help keep the Illinois Solar for All program viable through the challenging upcoming years.

We request that the LTRRPP include a stakeholder process to investigate alternatives to the pricing model.

Given the rapidly changing state of federal tax credits, tariffs and other factors impacting solar development, the Agency recognizes that the proposed REC prices resulting from the methodology used to establish those prices will have different impacts on different developers. Stakeholder feedback has suggested alternatives to the use of the REC pricing model including a market-based approach. The IPA will conduct stakeholder feedback sessions to explore this and other alternatives to the REC pricing model and provide stakeholders an opportunity to address the IPA's concerns about these approaches. The goal of the stakeholder process will be to reach agreement on an approach to REC pricing. Once agreed upon, this REC pricing approach will be used to establish the upcoming program year's REC prices. It is critical that developer experiences are understood and incorporated into the REC Pricing Modeling analysis that informs the creation of the REC prices themselves. The Agency is requesting stakeholders evaluate the proposed REC prices and provide detailed feedback.

Historically, Agency requests for stakeholder feedback on REC pricing have resulted in substantial qualitative comments from an array of stakeholders, but provided limited quantitative inputs to which the Agency could use to compare to model inputs. It is with this understanding that the Agency requests both quantitative and qualitative feedback to inform the REC price development process. Redline p. 294

8.5.3 Residential solar (small) subprogram

The Working Group strongly supports the change in the small and large residential budget allocations from the previous 9 month period to the new 6 month period (i.e., combining the budgets on January 1st of each year), but also questions whether budget allocations are useful at this time. Our understanding is that the allocation was made to address a concern that large residential projects would consume most of the residential budget, leaving insufficient funds for small residential projects. In the eighth year of the Program, we are still seeing substantial underutilization of the large residential sub-subprogram. As of this writing (September 18, 2025), the entire large residential budget allocation remains available with only one project submitted. We have recently learned that the expected availability of the Allume technology that promised to enhance the profitability of large residential projects and therefore make them feasible, will not be realized given the company's exit from Illinois. We support the termination of budget allocations between the small and large residential subprograms.

Section 1-56(b)(2) creates separate sub-programs for projects serving single-family and two-to-four unit multifamily residences (the Residential Solar (Small) sub-program) and income-eligible residences with five or more units (the Residential Solar (Large) sub-program). Separate schedules of REC incentive prices were established for projects serving one-to-four-unit residences and 5+ unit multi-family buildings. For the 2026 Plan, the Agency will no longer create separate budget allocations for hold the initial budget allocations for the Residential Solar (Small and Large) sub-programs. The subprograms will share one budget for the entire Program Year. until January 1, at which time the two sub-program allocations would

combine to be used on a first come, first served basis by projects of either sub-program. At the end of the Program Year, any unreserved sub-program funds will rollover to the <u>f</u>ollowing Program Year's total budget allocation for the Residential Solar (Small and Large) sub-programs for the following Program Year, in accordance with the Commission's order in approving and modifying the Revised Plan. Redline p. 364

Administrator Participant Pipeline Pilot

The Working Group supports the Agency's proposal to create a more robust Participant Pipeline program but has concerns regarding the current program design, and what will be done to improve upon said design. To our understanding, the current Participant Pipeline program simply supplies a list of available and local AVs to interested ILSFA participants. This method has proven unsuccessful as participants require more support and guidance when being connected with an AV. The Working Group would support a program designed to ensure people interested in both small-residential and community solar are promptly and successfully connected with an AV that has the capacity to service them. The Working Group does have questions and concerns around the execution of this program.

- How will the Agency ensure that customers do not languish in this pipeline?
- How will the Agency keep track of AV's capacity to take on residential projects and/or availability of community solar subscriptions at the time of referrals?
- How will the Agency ensure that customers referred to an AV are served in a timely manner by that AV?
- How will the Agency decide which AV to connect customers with? Providing customers
 with a list of available AVs is not enough to successfully help and encourage interested
 participants to go through the program. Customers should be directly connected to
 available AVs by the Program Administrator.

To date, the Program has not succeeded in providing these important assurances. We understand the Agency intends to hold a stakeholder process around this, and encourage it to consider these issues in the planning of that process.

Residential Solar (small) Developer cap

The ILSFA Working Group believes the Agency should apply a 6-month developer cap to the small residential subprogram beginning in PY9. While we understand that the last two years of oversubscription are a relatively new development, we have also seen that a small number of companies dominated the applications and closed off the subprogram to smaller AVs that have been working hard to master the process, develop their business models, and establish a foothold in the Program. A time-limited developer cap would likely cause no harm to the success of the subprogram and would ensure a more equitable sharing of benefits among participating AVs.

8.5.3.6. Residential Solar (small) Developer cap

Given the substantive over-subscription of the Residential Solar (small) subprogram in both the 2024-25 and 2025-26 Program Years, and the dominance of applications filed by a small number of Approved Vendors, the Agency will implement a developer cap of 20% of the

Residential (small) subprogram for a 6 month period. After January 1st, the developer cap will no longer be in effect for that program year. Redline p. 372

8.5.3.3 Home Repair and Electrical Upgrade Pilot

The Working Group supports the extension of this pilot for the period covered by the 2026 Long Term Plan given the invaluable benefit the pilot provides to some of the most-in-need income-qualifying households. Without this pilot, we likely would not have seen the development of the 181 small residential projects in PY7 that utilized these supports.

8.5.3.5 Residential Solar (Small) Sub-Program Referral Pilot

The Working Group believes that a referral pilot that provides a stipend to income-eligible Residential Solar (Small) sub-program participants who connect eligible households to the Residential Solar (Small) sub-program is unnecessary and a poor use of the Program's funds. We understand that ILSFA AVs are already providing generous stipends (e.g., \$400, \$500) to their clients that refer qualifying households to the AV, and believe we should allow them to continue to carry this cost.

8.5.4 Residential Solar (Large) Sub-Program

The Working Group believes that the questions posed by the Agency regarding "new technology that can be used in multifamily residential buildings that takes a single distributed generation system and allows multiple units with individual utility meters to accept the energy produced by the system" aka Solshare, may not be relevant at this time given the intel we received that Allume Energy, the developer of the described technology, will no longer be offering the product in Illinois. Nevertheless, we appreciate the questions and will respond below.

Under ILSFA's current Program guidelines, such system would be considered a single system and receive the corresponding distributed generation REC price based upon the overall system size. Regardless of the new technology's ability to deliver the system's energy produced into separate units, the size of the building will determine whether the system can participate in the Residential Solar (Small) or (Large) sub-program.

Uptake in the Residential Solar (Large) sub-program has been low since the Program was created, and while this technology is relatively new and its potential is still being explored, the Agency believes it can increase participation in the Residential Solar (Large) sub-program. Therefore, for this Draft 2026 Long-Term Plan, the Agency would appreciate stakeholder feedback on how ILSFA should price the incentives for systems that can divide the offtake of a single distributed generation system into separately metered units.

For example, should the Agency adopt an alternative REC price for projects capable of dividing the production of a single distributed generation system into separate units? Yes. We suggest the REC price be somewhere between the applicable small resi price and the applicable large resi price keeping in mind that developers need far more incentives than they are receiving now to develop these projects, and will also be required to pay for the technology. This approach is a more efficient way to develop large multiunit projects.

Should ILSFA treat a project with this technology as separate systems, and if so, how should it account for REC deliveries from that single system? Yes. As per the previous answer, the technology would allow for REC deliveries to be treated separately.

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Or should the Agency apply the Residential Solar (Small) subprogram's co-located REC pricing? No, we suggest the REC price be somewhere between the applicable small resi price and the applicable large resi price.

8.5.6 Non-Profit and Public Facilities Sub-Program 8.5.6.1 Eligibility

The Working Group supports this expansion of geographic eligibility for nonprofits and public facilities, but believes a definition of "adjacency" is needed. We suggest the following:

With consideration of stakeholder feedback for this Draft 2026 Long-Term Plan, the Agency proposes to also focus available funding to projects located in census blocks adjacent to environmental justice communities or income-eligible communities. Adjacent shall be defined as follows: An adjacent census tract is a neighboring statistical geographic area that shares a common boundary with another census tract, meaning they are physically next to each other and not separated by other census tracts or geographic entities. Redline p. 385

Returning Specified Public Schools to the Non-Profit and Public Facilities Sub-Program
The ILSFA Working Group believes the Agency should allow a portion of public schools to
qualify for the NP/PF subprogram, namely EBF Tier 1 and Tier 2 public schools¹ that are located
within Environmental Justice Communities. As noted by the Agency, "Participation [in the
nonprofit/public facility subprogram] has been consistently low or otherwise undersubscribed as
compared to the target for this sub-program."² Similarly, the Agency has noted that "[d]espite the
Public Schools category having 147.07 MW of capacity in the 2024-25 Program Year, only 8.5
MW had been awarded program capacity as of June 30, 2025.³ Every year since its inception,
the IL Shines Public School category has been grossly underutilized. The Agency has the
opportunity to 1) put these funds to use, 2) help further reinvigorate the once-competitive
Nonprofit/Public Facility subprogram, and 3) help reduce the energy burdens of an important
subset of public schools already struggling with inadequate funding in communities suffering
from disproportionate exposure to environmental hazards.

Because Public Act 102 0662 established a category in Illinois Shines specifically to serve public schools., the Agency has ceased considering public schools as eligible for the Non-Profit/Public Facilities sub-program after the 2022 2023 program year. Similarly, Public Act

¹ Illinois public schools are funded through an Evidence-Based Funding (EBF) formula that categorizes districts into four tiers based on their "Percent of Adequacy," which reflects their funding gap between resources and their established needs. Tier 1 districts have the largest gaps and receive the highest priority for new state funding, with subsequent tiers receiving progressively smaller allocations from the available new funds to close the funding gap over time.https://www.isbe.net/Pages/EvidenceBasedFunding.aspx

² IL Power Agency, 2026 Redline Long Term Renewable Resources Plan, p. 386.

³ Ibid, p. 243.

102-0662 also created a specific ILSFA sub-program to serve multifamily residential distributed generation projects. The Agency will also no longer allow As such, following the 2022-23 Program Year public schools and distributed generation projects serving multifamily residential facilities to can no longer participate in the Non-profit and Public Facilities sub-program. since these types of projects qualify to apply for the Residential Solar (Large) sub-program of Illinois Solar for All. Redline p. 386

8.10.2 Project Selection for Sub-programs with High Demand

The Working Group is concerned about the recent dominance of project submissions in the residential (small) subprogram by a small number of AVs and the speed at which the subprogram was fully allocated. To ensure benefits of the program are being distributed equitably, we support rewarding points and weighted preference for additional project attributes, namely projects by small and emerging businesses and equity eligible contractors. We also support use of the geographic rank and scoring method currently used in the NP/PF Subprogram in the small residential subprogram. Finally, we believe that projects that achieve energy sovereignty should <u>not</u> receive additional points given the issues we raise in Section 8.5.1 above, and believe that the energy sovereignty adder is sufficient incentive. We further recommend including geographic diversity concurrent with the NP/PF category signations as scoring criteria, and propose rearranging the attributes as below to prioritize attributes that advance diversity in projects.

Attributes that will receive higher scores include:

- Location with an Environmental Justice Community;
- Location within an income-eligible community (as defined above in Section 8.5.6.1);
- Projects developed by Illinois Solar for All Approved Vendors that are women- or minority owned businesses,
- S-Projects developed by small and emerging businesses;
- Projects developed by equity eligible contractors;
- Project development in areas that increase geographic diversity;
- Preferences for types of subscribers in ILSFA Community Solar projects, as outlined in Section 8.5.5;
- Preferences for projects that result in ownership by eligible customers or subscribers, as described in the discussion of Energy Sovereignty in Sections 8.2.4 and 8.5.1; or
- Other attributes that align with Plan priorities.

In addition, scoring will be weighted in such a way that helps to ensure a diversity of project development compared with all projects submitted for a given sub-program. For example, additional weighting might be given for:

- Geographic location,
- Projects developed by small and emerging businesses

Project size, or

• Other such attributes that reflect a diversity of projects. Redline p. 404

8.10.3.2 Small Res Self Attestation for LI residents

The Working Group strongly supports this proposed change, as it provides a much-needed pathway for broader participation, particularly for individuals who might otherwise be excluded. However, the Working Group has significant concerns regarding the inclusion of an audit process. We believe that such a process fundamentally undermines the intent of allowing self-attestation. The 2024 "Illinois Solar For All Mid-Year Report on Income Verification" by ILLUME, published by the Agency, provides evidence that fraud under a self-attestation model is minimal. Introducing the possibility of an audit could discourage eligible individuals from applying due to fear of scrutiny or added complexity, ultimately working against the benefits that self-attestation would bring. Therefore, we strongly recommend removing the audit provision. Instead, we urge the Agency to place trust in the geographic eligibility criteria as a sufficient safeguard for ensuring appropriate participation.

After evaluating the practical effect of self-attestation in the Bright Neighborhoods Pilot Program and the stakeholder feedback received in June 2025, the Agency proposes to expand the self-attestation option for participants in the Residential Solar (small) sub-program where the participant resides in an income-eligible community. This process would allow participants to provide a signed affidavit attesting that they satisfy income eligibility. While there are other state solar programs that allow affidavits to verify household income, those programs offer lower incentives than ILSFA and often feature higher income eligibility thresholds than ILSFA's 80% AMI income guidelines. Given that ILSFA provides greater REC incentives and higher savings for participants than that of comparable programs utilizing self-attestation, the Agency also proposes to implement an audit process to ensure ILSFA's income eligibility standards are upheld. The Agency is considering selecting a random set of projects using a random selection generator program, and the households served by those projects would be required to document their income for verification prior to Part I approval. The IPA will seek input from stakeholders before finalizing the self-attestation audit process. Recourse for failing the audit process will be denial of the project, with a referral to Illinois Shines for the participant. Redline p. 412

8.12 Environmental Justice Communities

The Working Group supports the revision of the designation process for Environmental Justice Communities. We believe that the steps outlined in the draft plan in 8.12.1 and 8.12.2 would be strengthened and reach a higher level of equity by including surrounding buffer zones. This would help reduce the burden on communities to self-designate, a process that has become more difficult due to the loss of critical federal data.

In particular, we are concerned that certain communities within the MISO RTO are not adequately represented with current mapping rules. This is not as severe a problem in the PJM RTO, based on the Working Group's observations. Section 8.12.4 only stipulates that 25% of the funding be allocated to Environmental Justice Communities, but does not stipulate that only

25% of the state is an Environmental Justice Community. Given the long history of pollution in Illinois and the generational impacts of that pollution, recognizing that impact on the map will enable more communities to access this stream of funding, which has become the base for other state streams of funding, and will more accurately reflect the impacts of pollution on communities throughout the state. One approach to address this imbalance could be increasing the EJ allocation within MISO to 30%, while maintaining the 25% threshold for PJM. This would better reflect the distribution of impacted communities across the state. However, we also emphasize the importance of balancing equitable geographic representation with workforce standards, to ensure that efforts to uplift EJ communities for ILSFA eligibility do not unintentionally disrupt workforce goals. To that end, we urge the Agency to ensure that all relevant stakeholders, including advocates, approved vendors, and workforce representatives, are engaged in the mapping process moving forward. The Working Group would more easily be able to comment on these impacts overall with updated mapping, as described below, which is why we have not included these percentage redlines, as more information is needed.

Finally, we note that the cumulative impact of the proposed changes is difficult to assess without a clear visual representation. Calculating EJ communities by RTO and adding adjacent census tracts will undoubtedly result in a significantly different map. While we support ongoing efforts to revise the designation process to more accurately reflect on-the-ground realities, we cannot fully evaluate the impact of these changes without updated mapping. We encourage the Agency to convene stakeholders in a transparent review process to assess the effectiveness of the revised map and ensure it truly reflects the needs and conditions of EJ communities across Illinois.

The Agency notes that this approach focuses on analysis of census block group-level data, and that communities are typically understood by their residents to be defined through geographic, cultural, and other factors that may, or may not, correspond to census block group boundaries. In addition, the U.S. EPA cautioned that data in the EJScreen tool is not always reliable at the block group level, and recommended that it may be necessary to aggregate up to larger geographic areas in a "buffer report." The Agency should therefore include surrounding buffer zones to include communities on the outskirts of the data, in order to better capture eligible communities.

The Agency will therefore also consider reasonable adjustments to the borders of Environmental Justice Communities from what is calculated through the census block group analysis, provided this does not create an unacceptable analytical burden or an unacceptable burden on communities applying for designation. Redline p. 425