



17 N. State Street, Suite 1710  
Chicago, IL 6060  
(312) 726-2938

December 3, 2021

Submitted Via Email To: [IPA.Contactus@illinois.gov](mailto:IPA.Contactus@illinois.gov)

Re: Chicago Environmental Justice Network – Response to Diversity, Equity, and Inclusion Comment Request

To Whom It May Concern:

Please be advised that I represent the Chicago Environmental Justice Network (CEJN). CEJN is a coalition of several Chicago-based environmental justice organizations, including the Little Village Environmental Justice Organization, Neighbors for Environmental Justice, Blacks in Green, Southeast Environmental Task Force and People for Community Recovery. CEJN advocates to eliminate adverse and disproportionate risks in environmental justice communities, to ensure opportunities for these communities to participate at every level of decision-making, and to equitably allocate the benefits of public health, economic, environmental and energy programs and resources.

The Illinois Power Agency (IPA) released sixteen (16) questions concerning Diversity, Equity and Inclusion (DEI) for stakeholder feedback on November 12, 2021. The questions have been grouped into seven (7) topics for comments mirroring the format of IPA’s November 18, 2021 online workshop. Responses will help inform the IPA’s Long-Term Renewable Resources Procurement Plan to be published on January 13, 2022.

## 1. Encouraging Participation (Questions 1-2)

*Should the Agency conduct proactive outreach to businesses and organizations to promote IPA programs and procurements?*

**Section 1-75(c)(1)(P)** of the IPA Act requires that the IPA’s programs and procurements are “*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.*”

The IPA should take a proactive approach to promoting its programs and procurements to a wide range of businesses, organizations and communities. IPA could facilitate partnerships between local community organizations and energy industry participants to help ensure there is a supply of diverse participants. However, simply informing participants of DEI programs and policies is not sufficient to meet the goals of Section 1-75(c)(1)(P). A few years ago, significant efforts were made to encourage

more diverse participation through community partnerships during the implementation of the Future Energy Jobs Act (FEJA), but too few measures were in place to aid in the employment of qualified individuals. To avoid a similar outcome here, IPA should prioritize mechanisms to match diverse participants with meaningful employment opportunities.

## 2. Equity Accountability System (Questions 3-4)

*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?*

**Section 1-75(c-10)** of the IPA Act requires the establishment of an equity accountability system that advances “*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.*”

In creating an Equity Accountability System, IPA should look to other states that have created tools to identify communities impacted by environmental issues. One way to begin to identify communities that have been disproportionately excluded from the energy sector and impacted by pollution is to adopt the California Communities Environmental Health Screening (CalEnviroScreen 4.0)<sup>1</sup> tool. CalEnviroScreen is a science-based tool that helps the state of California identify communities that are most burdened by environmental issues based on several publicly available data indicators. The data generally falls within two categories: pollution burden and population characteristics of communities. This tool was first launched in 2013 and has been updated four times, and its 21 data indicators have changed over the years.

Many of the CalEnviroScreen data indicators may also be relevant to Illinois as IPA works to identify disadvantaged environmental communities, including: air quality, housing burden, children’s risk of lead exposure, and pesticide exposure. Equity commitment percentages may need to be adjusted based on previous years’ progress, but adjustments can lead to a more efficient system over time. The CalEnviroScreen tool has been refined four times since its creation and continues to be a leading model for identifying communities burdened by environmental inequities.

Equity commitments could be planned around communities and populations most burdened by environmental issues rather than a blanket percentage requirement throughout the state. If IPA opts for a blanket equity commitment for the state, then more diverse metropolitan areas such as the Chicago region could potentially be the driving force behind meeting those requirements while other areas of the state fall behind on reaching DEI goals.

***How should “project workforce” be defined for equity accountability provisions?***

“Project workforce” should be defined broadly for equity accountability provisions rather than just covering construction and installation activities. Encouraging a diverse workforce in related jobs in

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<sup>1</sup> San Francisco Chronicle, November 2021: <https://apple.news/AROnm9aRsSvCjFRz7epHpRA>

sales, marketing, finance, etc., will create more opportunities for individuals to get involved in the energy industry.

### 3. Equity Accountability Compliance Reports (Questions 5-7)

*Entities participating in Agency procurements are required to file annual compliance plans and reports related to meeting equity accountability requirements. What specific items should be required in those compliance plans?*

As discussed in Comment #2, the CalEnviroScreen tool may be adapted to help identify communities and populations most burdened by environmental issues. Employment of individuals who been identified based on the metrics selected should be a focus. For example, Key Performance Indicators for annual reporting purposes could include the number of employees/contractors who come from communities that face environmental disadvantages related to air quality, housing burden, children’s risk of lead exposure, etc.

### 4. Competitive Procurements (Questions 8-10)

*What types of criteria might a competitive and equity-focused procurement process include? Would simply requiring that winning bidders use at least a certain percentage/number of equity eligible contractors be sufficient to comply with 1-75(c-10)(3)?*

**Section 1-75(c-10)(3)** requires the IPA 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.”

In developing a competitive and equitable procurement process, IPA should create incentives for participants with diverse ownership and employees/contractors. Financial and technical assistance would be especially beneficial to participants who have been impacted by environmental inequities at the procurement stage.

Simply requiring that winning bidders use at least a certain percentage/number of equity eligible contractors will likely not be sufficient to comply with Section 1-75(c-10)(3). If IPA only requires a certain percentage of equity eligible contractors to meet the competitive procurement DEI requirements, then it could create a performative industry where only this metric is used to gauge equity participation. Equity should be more than just a checked box. IPA could use an equity-focused point system similar to the one used by IDFPR to score cannabis dispensary licenses applications.<sup>2</sup> In awarding recreational cannabis dispensary licenses, there was an equity points system for which applicants would receive points for a number criteria such as having diverse employees or ownership, affiliation with someone who was negatively impacted by stringent cannabis laws in the past, origins in a historically targeted community, etc. IPA could use a similar point scoring system here and metrics could be adapted using the CalEnviroScreen tool.

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<sup>2</sup> IL DCEO: <https://www2.illinois.gov/dceo/CannabisEquity/Pages/SocialEquityApplicantCriteria-.aspx>

## 5. Training, Guidance and Support (Question 11)

*What are recommended approaches to provide the training, guidance and support called for in Section 1-75(c-10)(4)(C)?*

**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 ... and in meeting the minimum equity standards of this subsection.*”

The IPA should focus on placement of trained diverse candidates within the industry as part of its training, guidance and support services. Similar to the strategy used when implementing FEJA, educational events, classes, mentorships, and other programs in partnerships with community organizations will be important to ensuring inclusion in the emerging energy industry. However, as mentioned in previous comments, training a diverse workforce is not enough if there are not mechanisms in place to ensure the placement of these individuals within the industry.

IPA may also look towards Illinois’ adult-use cannabis social equity program<sup>3</sup> which provides technical assistance and individualized support to social equity applicants. The Illinois Department of Commerce and Economic Opportunity (DCEO) supports its social equity cannabis applicants in various stages and roles within the industry—from offering low-interest loans to start a cannabis-related business to reducing application and licensing fees. Here, the IPA has opportunities to support a diverse workforce through reducing barriers to entry in training and job placement, as well as through monetary aid and assistance with capital costs.

## 6. Equity Accountability System Waivers (Question 12)

*Other than the criterial listed in Section 1-75(c-10)(4)(E), there any other types of information that the agency should consider when evaluating an application for an equity accountability system waiver?*

**Section 1-75(c-10)(4)(E)** provides for a processes 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 commitments.*”

IPA should create an equity accountability system waiver that requires applicants to demonstrate thoughtful and meaningful engagement with a disadvantaged environmental community or population. It is important that waivers are not granted solely in exchange for monetary commitment, otherwise participants with resources may be able to bypass DEI mandates in violation of the spirit of the law. To receive a waiver an entity should, at a minimum, engage with disadvantaged environmental communities or populations in tangible and meaningful ways specific to those communities’ or populations’ goals. Disadvantaged groups could be identified with a tool like the CalEnviroScreen and an applicant requesting an equity waiver may receive one if it partners with a disadvantaged group. Partnerships could include development and distribution of information about proposed projects, mentorship programs and job placement programs.

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<sup>3</sup> IL DCEO: <https://www2.illinois.gov/dceo/CannabisEquity/Pages/default.aspx>

**7. Study of Racial Disparity and Discrimination (Questions 13-16)**

*Given that the equity accountability requirements do not begin until June 1, 2023, when is the earliest that this study should be conducted?*

The IPA 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/contractors, to be published within one (1) year of when contracts are awarded that account for equity actions. While accountability requirements do not begin until June 1, 2023, beginning to gather annual demographic data as soon as possible will help give the IPA a baseline to compare to in the future.

Thank you for your consideration of these comments.

Sincerely,

/s/ Zoe Lanier

Attorney for the Chicago Environmental Justice Network  
Greater Chicago Legal Clinic, Inc.  
17 N. State, Suite 1710  
Chicago, IL 60602  
(312) 726-2938