



June 29, 2023

TO: Illinois Power Agency

FR: Climate Jobs Illinois (CJI)

RE: June 8 Request for Stakeholder Feedback on the IPA's 2024 Long-Term Renewable Resources Procurement Plan

Please direct questions and comments to:

Joe Duffy, Executive Director: jduffy@climatejobsillinois.org

Mia Korinke, Campaign Mobilization Director: mkorinke@climatejobsillinois.org

About Us

Climate Jobs Illinois is a coalition of labor organizations advocating for a pro-worker, pro-climate agenda in Illinois. Our mission is to advocate for a clean energy economy at the scale climate science demands, create good union jobs and support more equitable communities. Our coalition represents hundreds of thousands of Illinois working men and women who are the best trained and skilled to build Illinois' new clean-energy economy from the ground up. By focusing on the construction of clean energy sources as a way to combat the climate crisis, Climate Jobs Illinois offers a compelling new approach to creating an equitable and clean economy. Building a clean energy economy is an opportunity for labor to lead on climate by creating high-quality family-sustaining jobs that spur economic development while reducing carbon emissions.

Climate Jobs Illinois is a state affiliate of the Climate Jobs National Resource Center. Climate Jobs Illinois is directed by a coalition representing hundreds of thousands of union members across Illinois, and our Executive Committee is comprised of leadership from:

- Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers Union Chicago & St. Louis
- Mid-American Carpenters Regional Council
- International Brotherhood of Electrical Workers Local 134
- International Brotherhood of Electrical Workers State Council
- Illinois Education Association
- Illinois Federation of Teachers
- International Union of Operating Engineers Local 150
- Midwest Region of Laborers International Union of North America
- Great Lakes Region Laborers International Union of North America
- Service Employees International Union State Council
- International Association of Heat and Frost Insulators and Allied Workers

Background

On June 8, the Illinois Power Agency (IPA) posted a series of Requests for Feedback on [Chapter 7](#), [Chapter 8](#), and [Chapter 10](#) of the IPA's 2024 Long-Term Renewable Resources Procurement Plan, as well as the [REC Pricing Study by Sustainable Energy Advantage](#). On behalf of our coalition members and their rank-and-file union members, Climate Jobs Illinois submits the following recommendations for Chapter 7 and Chapter 8, which pertain to clean energy labor standards and solar power incentives for public schools.

Chapter 7: Illinois Shines

Topic 6: Public Schools Category Uptake

1. *Are there modifications to the requirements for this category that can be considered that would incentivize additional development in the Public Schools category?*

Response: Public schools could benefit from additional flexibility when it comes to disbursement of REC payments through the Illinois Shines program. According to the 2022 Adjustable Block Program Guidebook, there is currently an option for Approved Vendors within the Equity Eligible Contractors (EEC) block to receive an advance of up to 50% of the REC contract value.¹ This flexibility should also be afforded to public schools, who may have difficulty securing short-term financing during construction.

¹ Illinois Power Agency, 8/29/2022, Illinois Adjustable Block Program Guidebook, p 27, retrieved at <https://illinoisabp.com/wp-content/uploads/2022/08/ABP-Program-Guidebook-29-Aug-2022-FINAL.pdf>

Like EEC developers, public schools should be allowed to submit a request to advance capital under the REC contract in their Part 1 Application, along with a narrative description of the need being addressed and a timeline for disbursement. After those project milestones have been completed and verified by the IPA, the school's developer should be permitted to collect the advance following the invoicing process laid out for EEC developers in the 2022 Program Guidebook.

This option to advance capital will be a game changer for schools, given their expected reliance on deferred incentives through the direct-pay Investment Tax Credit (ITC). Allowing public schools to secure an advance of capital for solar project costs will boost participation in this category by providing additional flexibility during construction and reducing the need for bridge financing until the ITC and other incentives kick in. This flexibility is also warranted, based on consistently low participation in this category.

2. *Are additional provisions needed to preserve (i.e., rollover) capacity in this category in future years? If yes, please explain why and the provisions that the Agency should utilize to increase participation in this category.*

Response: Until there is a marked increase in participation from public schools in the Illinois Shines program, the IPA should continue to roll over 50% of unused REC capacity within the Public Schools block into the next program year. Public school districts are not as nimble as private solar developers, and therefore require additional time for multi-year capital planning, school board approvals, and bond referendums. Annual roll-overs will give public schools a longer runway to accommodate the bureaucratic steps necessary to adopt solar power.

The Public Schools block was created with the intention of creating a new solar market for Illinois school districts, and it will take time to develop that new market. We must ensure that these REC incentives are available when school districts are ready to participate in the program fully.

3. *What unique barriers to development of distributed generation projects on Public Schools are being encountered by AVs and Designees? How can the Agency address those barriers in order to increase participation in this category? Are there structural barriers to participation in the category that the Agency can address through the Long-Term Plan?*

Response: Renewable Energy Credits are a new concept for most school leaders, and we have heard from many administrators who are confused and intimidated by the Illinois Shines application process. Many more were unaware of the program altogether. Until earlier this month, schools were also awaiting guidance from the U.S. Treasury Department on implementation of the Inflation Reduction Act's direct-pay tax credits, which will help schools recoup 30-50% of installation costs.

The Public Schools block is one of the newest additions to the Adjustable Block Program, and schools have not had sufficient time to consider the budgetary impacts of solar installation. School construction is typically financed through a combination of revenue bonds, annual capital funds approved by the school board, and grant funding. Most school districts also rely on multi-year capital plans and are subject to strict procurement standards.

The IPA should dedicate additional resources to educate school districts about the Illinois Shines program and provide technical assistance to help improve participation in this category. This could include webinars, how-to guides, project planning services, a partnership with the Illinois State Board of Education, an announcement from the Governor's office, and a briefing for state legislators. The IPA should also take steps to target these resources to Tier 1 and Tier 2 schools, and schools located within Environmental Justice communities.

Chapter 8: Illinois Solar for All

Topic 6: Prevailing Wage and Job Trainee Requirement

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?*

Response: All individuals performing work on a prevailing wage project must be paid according to the appropriate classification, including wages and fringe benefits, for the work performed on the project. There is no prevailing wage provision allowing an individual to be paid less than the prevailing wage. In practice, the Department of Labor has allowed a lesser wage and fringe benefit rate for an apprentice performing a classification of work where the apprentice is registered in an applicable apprenticeship and training program approved by and registered with the U.S. Department of Labor's Office of Apprenticeship.