To: Illinois Power Agency @ IPA.ContactUs@Illinois.gov
Re: The IL Solar for All Working Group of the IL Clean Jobs Coalition- Chapter 8 LTP Feedback
Date: June 29, 2023

The Illinois Solar for All Working Group appreciates the opportunity to comment on the various topics presented for comment by the IL Power Agency (the Agency) as it prepares the next revision of its Long Term Renewable Resources Procurement Plan.

Signatories:

A Just Harvest
Blacks in Green
Central IL Healthy Community Alliance
Central Road Energy LLC
Citizens Utility Board of Illinois
Faith in Place
Greenlink Solar Solutions, Inc.
Illinois Environmental Council
IL Healthy Community Alliance
Reactivate
Renewable Energy Evolution
Seven Generations Ahead
StraightUp Solar
Sustain Rockford
Sunrun
Trajectory Energy Partners
Union of Concerned Scientists
Vote Solar

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 carve outs 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 carve outs 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 carve outs 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 carve out for energy sovereignty projects an appropriate goal for all sub categories?

Answer: We recommend maintaining the 25% carve outs, but note the lack of uptake in the residential categories and suggest the approach described below.

2. In the current Project Selection protocol, the 25% Energy Sovereignty carve outs 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 carve out. Is this an appropriate approach? Should the carve out release remain as-is, last the full program year, or more simply be released for non-sovereignty sub-program projects after 9 months?

Answer: We note that the current approach is working in the community solar and nonprofit/public facility subprograms. We do have a concern that energy sovereignty (ES)for residential projects is less

appealing (particularly given the no cost offers now available) and that the ES carve out will go unused. With that in mind, we recommend the residential carve out be released for Non-ES projects after 6 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?

Answer: Cost is a major barrier. A loan will need to be obtained for the full EPC cost while waiting to monetize incentives which could take up to 18 months. A green bank that would facilitate such loans may facilitate more residential energy sovereignty projects.

In addition, we see a lack of incentive given the no cost offers (with O & M responsibility remaining with the AV) available at this time.

4. What obligations or restrictions should be considered for a subscriber wishing to sell their ownership share in a community solar project?

Answer: We recommend prohibiting sales for the first six years and thereafter limiting sales to income-qualifying subscribers.

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?

Answer: IPA should require the applicant to identify a timeframe or metric relevant to the particular area they are seeking EJ designation for.

Additionally, we believe IPA should make funding available to help community groups taking the lead on self-designation. These funds should be used to gather data for the application. Examples include short-term pollution monitoring or research into historic EJ burdens in an area, because even today older permits are nowhere online.

a. Or, should we conduct an impact analysis based on block groups? If so, how often should the analysis be performed?

Answer: We believe a designation-by-designation approach would work better. The impact analysis would just have the same deficiencies and encounter the same gaps as the EJ assessment itself.

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 are 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?

Answer: We recognize that term limits might not be appropriate for team members coming from the program administration company or the IPA itself, but believe a staggered two-year term limit should be applied to the EJ expert positions. The staggered approach will allow for leadership development and the rotation of personnel will bring new insights into what could otherwise become a perfunctory process.

3. Are there other recommendations for the makeup of the EJ Community Self-Designation Committee?

Answer: The two Environmental Justice experts should be validated by the State Environmental Justice Commission as well as the committee itself.

TOPIC 3: Distributed Generation Sizing

Background

T*he 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 usage[1]

• Non-Profit and Public Facilities: 110 percent limit of recent 12 consecutive month usage[2]

Questions

1. Should the proposed caps on the sizing of a Distributed Generation systems in the ILSFA program be higher or lower?

Answer: Given the growth in both federal and state incentives for electrification, EV vehicle purchase, and EV charging infrastructure, we support an increase in the caps on the sizing systems with a concomitant requirement that the household, nonprofit or public facility demonstrate proof that electrification (including purchase of an EV vehicle) is both intended and viable within a two year time period. Proof might include purchase orders, a contractor's estimate, acceptance of estimate, or some other form of written obligation.

Regarding the size of the cap, the typical EV owner will use approximately 4,500 kWh on an annual basis to charge their vehicles if they drive about 12,000 miles per year. The average American home uses about 12,000 kWh of electricity per year. For each home with one EV, that is a 37.5% increase in electricity use. For non-profits and public facilities that purchase EVs, the purchased EVs are likely to be larger and drive more miles (requiring more frequent charging). Given the above, the proposed increase for residential solar should be increased to 150% of the prior year's usage to allow for cases where an EV in a home may be the norm, as proposed by the Agency. For nonprofit and public facilities, the limit should increase to 150% from the Agency's proposed 110%, given their typically larger energy use.

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?

Answer: Please see answer to no. 1 above.

3. To what extent should specific electrification plans be in place for the customer to justify an oversized system? What timeline of electrification?

Answer: Please see answer to no. 1 above.

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)?

Answer: Oversizing should be allowed on a case by case basis with a strong showing of proof only.

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 tariff changes implemented to conform to 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 usage*[3]

Questions

1. Should Community Solar subscribers be allowed to subscribe to a greater number of kWh than anticipated usage?

Answer: Yes, ILSFA Community Solar subscribers should be allowed to subscribe to a greater number of kWhs than anticipated usage. The changes to net-metering in Public Act 102-0662 were intended to increase the benefit of community solar subscriptions by allowing a subscriber to receive credits for their delivery and other electricity usage costs. This benefit should be provided to low-income subscribers participating in Illinois Solar for All community solar projects.

A growing body of academic work has pointed to a "time-tax" imposed on low-income families in their efforts to participate in government programs meant to support them. This article in the Atlantic outlines the phenomenon well. For low-income families participating in Illinois Solar for All community solar projects, limiting their subscriptions to their last year's usage ultimately means that the total savings on their utility bills are in the range of 20%. By allowing them to subscribe to a larger subscription size, this overall saving can increase to 40% or higher. The "time-tax" of participating in IL Solar for All is a heavy one, and many low-income families do not have the bandwidth to participate in the extensive paperwork exercise that is required for IL Solar for All, and it is not worth it to them for a 20% or less savings. Instead, subscriptions are often focused on retirees, who qualify as low-income based on their annual income, and have more time available. These retirees are deserving participants, but the families who are often thought of as the true targets of this program are much more involved and better served when the individual subscriber savings are higher.

It is a valid point to look at the tradeoff between serving more low-income subscribers vs. less with a higher savings. Given the very limited nature of the funding for these projects, and the fact that far under 1% of low-income residents in Illinois are ever going to be a part of IL Solar for All, focusing on more deeply impacting a slightly smaller number of customers is the right choice.

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?
Answer: Our ultimate goal for this subprogram is to minimize electricity charges to low-income subscribers as much as possible while ensuring that we do not oversize and thereby leave credits unused that could have benefited additional subscribers.

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

• 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?

Answer: NABCEP Board Certification should remain an option for all trainees, however, we do not recommend that ILSFA job trainees be required to obtain such certification. According to one AV, the best programs are those that offer a combination of OSHA10, NCCER Core Curriculum, and NABCEP PV Associate Programs. OSHA10 gives trainees safety skills, NCCER Core offers the core construction skills that are required in any construction field, and the NABCEP PV Associate Program teaches students the fundamental principles of the application, design, installation, and operation of Photovoltaic, Solar Heating or Small Wind energy systems. However, the NABCEP is notoriously difficult for some students. For those who have trouble passing the NABCEP PV Associates exam, the NCCER Core and OSHA 10 should be sufficient to prepare participants for entry level positions in solar. That said, NABCEP accredited training programs are the national industry standard, so the NABCEP PV Associate Program should be able to stand alone and be wholly sufficient for 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?

Answer: Yes, a NABCEP Associate credential should be considered sufficient. Not every pathway to obtain an Associate credential requires a classroom component, but to the extent that a classroom component is required, 50% completion should be a sufficient requirement. It seems reasonable to set this requirement in a way that maintains continuity with existing options.

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?

Answer: In lieu of waivers, a politically unpopular practice, we suggest the Agency extend the cycle for job trainees to 3 years. Our understanding is that it is currently very difficult to find Eligible Job Trainees (EJTs), so we propose the Agency consider changing the cycling period, not granting waivers. We need to lure more AVs into this program, and extending the cycling period might help with this.

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 set considering a job trainee's entry-level experience? Should job trainees be subject to the requirement at all?

Answer: We encourage the Agency to collaborate with the Department of Labor to better understand if and how the CEJA workforce development programs could qualify as apprenticeship programs. It is our understanding that DOL-certified programs allow for apprentice rates that are below the standard prevailing wage rates. This will heavily incentivize companies to hire subcontractors that are from labor training programs, given that the blended cost of labor would be lower than a similar firm that pays every worker the full prevailing wage rate. This is not the Agency's problem to solve, but we would appreciate anything it can do to determine if apprentice rates for CEJA workforce programs and certain Other Qualifying Programs would help level the playing field.

On the topic of REC prices, we encourage the Agency to adjust REC prices upwards as needed to account for increased labor costs associated with paying prevailing wage.

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?

Answer: Given the limited nature of these funds, we suggest the Agency chose a finite project that could show immediate benefits. We have two proposals to utilize this unexpected source of funding:

1) We propose the funds are used as additional funding for roof repairs and electrical upgrades and/or EE improvements on homes with ILSFA projects. Under this approach, approximately 17 to 20 homes could get new roofs/year and the Program would not have to put an additional burden on the Approved Vendors for any cost overruns in the home repair pilot program.
2) We propose the funds are used to pilot a customer marketing and onboarding system. The strength of this program is very reliant on customer awareness and customer trust. Both of these depend on the Illinois Solar for All brand being a known entity, and both point to the need for an easy, transparent welcome process for somebody who would like to learn if Illinois Solar for All is a good fit for their home or property. We are seeing an uptick in residential solar projects, but most of those projects are not in Environmental Justice communities. We propose using the funds to hire a consultant to design a new web platform that informs customers about the program and helps to connect potential customers with Grassroots Education organizations. Once that onboarding tool is in place, we suggest that the Program Administrator initiates a communication campaign to get the onboarding URL and ILSFA logo in as many Environmental Justice communities as possible.

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?

Answer: Yes, see above

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 or 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.]

Answer: Yes, we support quarterly reporting in lieu of daily averaging. We understand that subscription entities are concerned that the daily average requirement is burdensome to maintain due to processing times. For example, maintenance of a 100% daily average requires a waitlist. If a subscriber rescinds their subscription, with the relevant administrative processing there is a delay before the project is again subscribed at 100%. Thus there is concern that due to administrative processing, even with a full waitlist there can be a delay in bringing the project back to 100%.

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?

Answer: Data from recent ILSFA community solar application windows shows declining participation from AVs, and conversations with them have indicated the complexity and difficulty of the subscription requirements as one key reason some AVs are no longer participating. We are unclear at this time if the change posed in this question would increase or decrease that complexity, and recommend obtaining clarity and moving towards less complexity to help reverse the trend of less participation by developers.
Burdensome for smaller and limited scope projects like that of the library district.

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 its Solar for all competition funding?

Answer: We support a variety of financing solutions that can support a full diversity of Approved Vendors (in size, geography, and ownership) to be able to offer ILSFA solutions to low-income families. Connecticut Green Bank is the most successful example of a green bank, with elements that can be replicated in Illinois. https://www.ctgreenbank.com/

Additionally, the Green Energy Market Securitization (GEMS) model administered by the Hawaii Green Infrastructure Authority (HGIA) in Hawaii merits further investigation. The GEMS program has allowed for on-bill financing for rooftop solar installations in ways that allow renters and customers lacking federal tax appetite to participate.

2. What financial offerings or mechanisms would be most useful to ILSFA AVs and customers from a state Climate Bank?

Answer: We have identified four opportunities for inclusive financing products in the Illinois Solar for All program:

1. **Standardized third-party PPA/lease**. Smaller or newer Approved Vendors have difficulty taking advantage of the ILSFA programs, in part because they do not have the ability or the scale to create their own power purchase agreement (PPA) or lease in-house. A standardized third-party financing mechanism (likely a PPA or lease) that would help smaller and newer AVs participate in the program would help bridge that gap. The SMART-E loan program in Connecticut could be a good model for this.
2. **Business development financing and capital**. The authorizing statute in CEJA now includes additional direction to the Program Administrator to prioritize small and emerging businesses. These businesses have difficulty accessing low-cost capital, in part because clean energy is still challenging to finance and in part because newer and emerging businesses are often deemed riskier and carry higher lending fees. To diversify the AV pool, we will need inclusive capital for small and emerging businesses.
3. **Low-cost bridge financing**. In some cases, such as the ILSFA small residential program, the REC payment covers most of the system cost. It is possible that a low- or no-cost bridge loan to span the gap between project development and REC payment could allow more Approved Vendors to develop more projects.
4. **No-cost loan for Energy Sovereignty**. Not many (if any) customers take advantage of the system purchase option within ILSFA because it is difficult to access financing options that

would match the program requirements. The most helpful thing that some small AVs could use to serve customers is basically a low-interest or 0% loan (with a refinance or re-amortization option after a customer receives their SRECs or tax credits) without onerous credit score requirements.

We also encourage the Agency to explore other inclusive financing opportunities in Illinois made possible by CEJA, including the Equitable Energy Upgrade Program (EEUP) and the Clean Energy Jobs and Justice Fund (the Fund). The former program, EEUP, is a tariffed on-bill financing program that could create pathways for a standardized "loan" that is available to all Approved Vendors, which allows the customer to own the system within a few years. Questions remain about who "owns" the system until it is paid off, but this well-funded initiative might provide a streamlined on-bill option to truly unlock ILSFA's residential subprograms. The latter initiative, the Fund, is explicitly tasked with closing some of these barriers. We anticipate that both will be operational within the program years that this LTRRPP will cover and would encourage the final Plan to include consideration of these two inclusive financing entities as well.