

To: Illinois Power Agency
From: Juliana Pino, MeLena Hessel, & Participants in the Illinois Solar for All Working Group
Date: 09/30/2019
Re: Illinois Solar for All Working Group Comments on 2019 Draft Long-Term Renewable Resources Procurement Plan Update

Dear Illinois Power Agency & Program Administration Team:

The Illinois Solar for All Working Group is pleased to deliver the enclosed comments on the Illinois Power Agency's Draft 2019 Long-Term Renewable Resources Procurement Plan Update. This memo describes an overview of the Illinois Solar for All Working Group.

Background: Illinois Solar for All Working Group

The Illinois Solar for All Working Group (the Working Group) formed from a subset of members of the Illinois Clean Jobs Coalition, who had comprised an Environmental Justice-Solar-Labor Caucus (the Caucus) during the negotiation of policies that would become the Future Energy Jobs Act (FEJA). The group formed in order to bring the best practices and policies to the Illinois energy landscape that would serve to maximize benefits to the economically disadvantaged households and communities that targeted programs are intended to serve. The group was co-facilitated by a representative of a solar company, Amy Heart of Sunrun, and a representative of an environmental justice group, Juliana Pino of the Little Village Environmental Justice Organization. Following passage of FEJA in December 2016, the Caucus expanded into the Illinois Solar for All Working Group, an open membership group including experts on environmental justice, environmental advocacy, consumer protection, solar business, low-income solar policy, energy efficiency, job training, program design, and other areas, who have substantive research and experience to bring to bear on implementation of Illinois Solar for All. Currently, the Illinois Solar for All Working Group is co-facilitated by Juliana Pino of Little Village Environmental Justice Organization and MeLena Hessel of Environmental Law and Policy Center. Over 75 participants include representatives from the following organizations and others:

Central Road Energy LLC	People for Community Recovery
Environmental Law and Policy Center	Prairie Rivers Network
Little Village Environmental Justice Organization	Seven Generations Ahead
Natural Resources Defense Council	Vote Solar
ONE Northside	

Working Group Process

The Working Group began convening in January 2017, and has had monthly full-group meetings until the present time. In tandem, the Working Group operates with sub-teams that focus on specific areas relevant to the policies at hand and future work on the program. These sub-teams include: Program Administration & Evaluation, Consumer Protection & Financing, Education & Engagement, Job Training, and Project Workshop. Each sub-team was facilitated by leads and co-leads and meets between monthly full-group meetings with frequency depending on the time of year.

Working Group Commenting and Engagement History for IL Solar for All

- A draft White Paper was delivered to the IPA on May 5, 2017.
- Many Working Group participants attended IPA's May 2017 workshops and helped develop responses to IPA's June 6, 2017 Request for Comments on the Long-Term Renewable Resources Procurement Plan.¹
- A final White Paper was published on July 11, 2017 on lowincomesolar.org.²
- The Working Group also submitted a response to the Draft Long-Term Renewable Resources Procurement Plan on November 13, 2017.³
- Additionally, the group has engaged in stakeholder sessions and submitted comments on:
 - Community Solar Consumer Protection & Marketing Guidelines Draft Documents and Illinois Adjustable Block Program Draft Guidebook to InClima on December 10, 2018;
 - Grassroots Education and Approved Vendor components on January 9, 2019;
 - Environmental Justice provisions on January 30, 2019;
 - Job Training provisions and Third-Party Evaluation provisions on February 7, 2019;
 - Project and Participant Eligibility and Verification Processes on March 13, 2019;
 - the Low-Income Community Solar REC contract on April 2, 2019;
 - Project Selection on April 15, 2019;
 - and Consumer Protection on April 19, 2019.
- Many Working Group participants also attended IPA's June 2019 workshops and helped develop the enclosed responses to IPA's July 3, 2019 Request for Comments on the Long-Term Plan Update.

¹ <https://www.illinois.gov/sites/ipa/Documents/ILSfA-Working-Group-Response-RequestforComments.pdf>

² http://www.lowincomesolar.org/wp-content/uploads/2017/07/20170711-ILSfA-Working-Group-White-Paper_Final_wAppendices.pdf

³ <https://www2.illinois.gov/sites/ipa/Documents/2018ProcurementPlan/2018-LTRenewable-Illinois-Solar-for-All-Working-Group-Comments.pdf>

Program Principles for Illinois Solar for All

During the negotiation of FEJA, the Caucus membership collectively agreed upon the following policy principles to guide our work moving forward. These principles were rooted in the *Low-Income Solar Policy Guide*⁴ authored by GRID Alternatives, Vote Solar, and the Center for Social Inclusion; further adapted through iterative deliberations in the Caucus; and ultimately adopted by the Working Group. The principles include:

- **Affordability and Accessibility.** Offers opportunities for low-income residents to invest in solar through a combination of cost savings and support to overcome financial and access challenges. Creates economic opportunities through a job training pipeline. Supports skill development for family-supporting jobs, including national certification and apprenticeship programs.
- **Community Engagement.** Recognizes community partnerships are key to development and implementation, ensuring community needs and challenges are addressed. Strive to maximize projects located in, and serving, environmental justice (EJ) communities. Allows for flexibility for non-profit/volunteer models to participate, and strives to meet potential trainees where they are, with community-led trainings.
- **Sustainability and Flexibility.** Encourages long-term market development and will be flexible to best serve the unique low-income market segment over time and as conditions change. Program administrator ensures community engagement, statewide geographic equity, and flexibility to meet goals. Job training program includes all training partners in design and implementation. Training offerings should come through diverse channels including utilities, unions, tech schools, non-profits, government agencies, and existing community-based job training organizations.
- **Compatibility and Integration.** Low-income program adds to, and integrates with, existing renewable energy and energy efficiency programs, and supports piloting of financing tools such as PAYS (pay-as-you-save), on-bill financing, PACE or community-led group buy programs. Jobs training programs will strive to ensure low-income solar installations incorporate workforce development, including coordinating opportunities for job training partners and individual trainees from the same communities that the low-income solar program aims to serve.

The Working Group researched and prepared the enclosed comments to deliver high quality information and recommendations on considerations for the Illinois Solar for All Program and the Long-Term Renewable Resources Procurement Plan. The contents are not intended to reflect universal consensus on any point amongst working group members. These contents reflect

⁴ www.lowincomesolar.org

extensive deliberation regarding aspects that the Working Group believes are important to the Program's success moving forward.

In closing, we make these recommendations and comments to ensure high-quality implementation for Illinois communities. Communities throughout Illinois need the opportunities and services the Illinois Solar for All Program will provide and the support of groups with substantive experience in the solar industry and low-income solar in particular. Please do not hesitate to contact us with questions or comments in regards to this matter.

Illinois Solar for All Working Group Comments on 2019 Draft Revised Long-Term Renewable Resources Procurement Plan

Introduction

The Illinois Solar For All Working Group (“Working Group”) appreciates the opportunity to provide comments on the Illinois Power Agency’s (“IPA” or “Agency”) draft update to the Long-Term Renewable Resources Procurement Plan (“LTRRPP”). The Agency has demonstrated a thoughtful approach to its proposed changes in this draft Plan update with regard to the Solar for All Program, with a clear aim of ensuring that low-income and environmental justice community members benefit from expansion of the solar energy landscape in Illinois, including through the expansion of employment opportunities and job training.

Made possible by the Future Energy Jobs Act (“FEJA”), the Illinois Solar for All program (“ILSFA”) and the Adjustable Block Program (“ABP”) launched earlier this year and are in their initial stages of operation. Given the recently established nature of the programs, the Working Group recognizes that LTRRPP updates will necessarily involve continuous review processes and revisions based on different future scenarios to fully capture the clean and equitable energy goals set forth under FEJA.

Accordingly, we submit the following comments which highlight areas of the draft Plan update we believe can be improved upon, respond to the Agency’s request for feedback, and indicate support for several of the new choices made in the draft Plan. As always, the Working Group’s focus is on setting and implementing the right framework for ensuring the state’s renewable energy efforts effectively engage and benefit low-income and environmental justice communities.

Areas of Requested Feedback and Improvement

Areas of requested feedback and improvement are listed roughly in the order they appear in the draft revised Plan.

1) Recognize the Illinois Solar for All Program goals go beyond bringing solar to low-income communities

In its first mention of the Illinois Solar for All Program (ILSFA) in the draft Plan update, the Agency describes ILSFA as a program intended to bring solar to low-income communities. This is entirely true, but does not tell the whole story. As advocates for this program, many of us fought hard for this program to benefit not only low-income communities, but environmental justice communities, where both environmental and socio-economic factors have acted in concert

to create persistent environmental health disparities. Likewise, many of us fought to ensure the benefits anticipated through this program extended beyond just access to solar output, to access to the broader economic benefits of the growing solar market, in particular employment opportunities and job training. The Working Group believes the key goals of the program go beyond low-income communities and solar deployment to environmental justice communities and jobs. We recommend the Agency recognize those key goals in its introduction of the program, within the Plan.

Alternative Wording Proposed:

(P. 1) The Initial Plan also described how the Agency would develop and implement the Illinois Solar for All (“ILSFA”) Program, which utilizes a combination of funds held by the Agency in the Renewable Energy Resources Fund (“RERF”) and funds supplied by the utilities from ratepayer collections, to support the development of photovoltaic (“PV”) resources, along with job training opportunities, to benefit low-income households and environmental justice communities.

2) Suggestions for how to meet statutory employment opportunities objective

The law provides that “the renewable energy credit procurements, Adjustable Block solar program, and community renewable generation program shall provide employment opportunities for all segments of the population and workforce, including minority-owned and female-owned business enterprises, and shall not, consistent with State and federal law, discriminate based on race or socioeconomic status.” 20 ILCS 3855/1-75(c)(7). The Working Group offers the following suggestions on how to better meet these objectives:

a) Provide transparency into employee diversity of program participants

The Working Group believes transparency is critical and recommends collecting quantifiable data across all programs in order to demonstrate a baseline for improvement of the programs and to encourage vendors to offer opportunities for all segments of the population and workforce and in diverse geographic locations across the state. This will be critical in evaluating the programs, especially as the blocks begin to decline in value. Quantifiable data to include: Age, sex, income, zip code. The Working Group is also interested in data related to race, participation in workforce training programs, and status as a returning citizen or foster care alumni. However we recognize that there may be legal issues with what employers can share as well as challenges with the sometimes layered contractual relationships between the various companies participating in the delivery of solar through the Adjustable Block and Illinois Solar for All Programs. Thus we urge the Agency to think creatively about legally appropriate and minimally burdensome ways to access such data.

b) Utilize a scoring system

In order to provide a wide range of opportunities for all segments of the population, The Working Group advocates for a scoring system. The scoring rubric should include criteria for companies that:

- provide a non-discriminatory hiring plan;
- are minority-owned business enterprises (or contract with);
- are female-owned business enterprises (or contract with);
- provide a demonstrated history of hiring returning citizens;
- provide a demonstrated history of hiring foster care alumni;
- provide a demonstrated history of hiring minorities;
- provide a demonstrated history of hiring women;
- are located in environmental justice communities;
- provide documentation of recruiting partnerships with accredited third party training organizations;
- commit to hiring trained workers who reside within a 50-mile radius to rural project sites;
- provide a demonstrated history of working directly with community partners in environmental justice district locations;
- have had complaints filed against them under the ICC's DG Installer Certification; and
- provide other renewable generating employment opportunities that are outlined in the Act.

c) Reserve a small portion of capacity in each block of the ABP or a small portion of the budgets in each ILSFA subprogram/year for projects that report on and/or meet diversity/workforce development goals

There are a number of potential diversity and/or workforce development goals that the Agency could elect to use for this reservation, including hiring out of workforce training programs and having a portion of contract value flow to disadvantaged business enterprises.

By reserving just a small portion of programs for projects meeting these goals, the Agency would encourage incremental improvements in employment opportunity outcomes across both programs. If it turned out that the market was very easily meeting the diversity goals put forward, those goals could be increased in future Plan updates.

The Solar for All Working Group expects that a not-insignificant portion of projects already participating in IPA solar programs are already taking positive strides in providing diverse employment opportunities, so we do not anticipate such a reservation would be particularly difficult to meet. Depending on the goal, the IPA may even find that the market is actually already meeting the stated goal, just not recording that it was doing so.

Note: Not all Working Group members support the extension of diversity and workforce development requirements into the Adjustable Block Program.

d) Host a workshop around the measurement of a diverse workforce in the Agency's solar programs

The Working Group believes that challenges around measuring supplier and workforce diversity are limiting the Agency's ability to meet statutory requirements around providing employment opportunities. In particular, we have commented numerous times around the inappropriateness of measuring diverse business enterprises (DBEs) at the Approved Vendor level⁵. Additionally, it became obvious in our deliberations around other recommendations around employment opportunity goals that measuring progress towards these goals can be complex.

The Working Group alone does not have all the answers on how best to measure workforce and supplier diversity in meaningful and non-burdensome ways. We believe that in order to find those answers, collaborative discussion is needed with not just the Agency, its Administrator(s), and Working Group members, but also other entities that report on and award contracts with diversity goals (for instance the City of Chicago and ComEd) as well as Approved Vendors and solar providers further down the contracting chain. While such a workshop should be accessible to all interested parties, for this discussion to be a success, it will be more important to identify and get participation commitments from key participants than to invite a broad and undifferentiated group of potential participants.

The Working Group urges the Agency to convene such a workshop sometime over the next year, with the goal of identifying meaningful metrics of supplier and workforce development in both the Adjustable Block Program and the Illinois Solar for All Program. The Agency should have the discretion to integrate such metrics into project selection scoring for the Illinois Solar for All Program and enable reporting on such metrics in the Adjustable Block Program on at least a voluntary basis.

Alternative Working Proposed:

~~(P. 29) For this draft Revised Plan, the IPA is open to any feedback for how better to meet these worthy objectives.~~

As one step in facilitating these worthy objectives, the Agency, alongside Program Administrators from one or both solar programs, will convene a workshop with the goal of

⁵ In the past we have advocated for measuring DBEs by the portion of contract value flowing to DBEs. We believe this is common practice, utilized, among others, by the City of Chicago, ComEd, and the ICC in its supplier diversity reporting.

identifying meaningful metrics of supplier and workforce development in both the Illinois Solar for All Program and the Adjustable Block Program sometime in 2020. At a minimum, the workshop will include attendees from the Solar for All Working Group, entities that report on and award contracts with diversity goals, Approved Vendors, and solar providers further down the contracting chain from Approved Vendors. The Agency will report the findings from this workshop on the Adjustable Block Program and Illinois Solar for All Program website and may, at its discretion choose to integrate identified metrics into project selection scoring for the Illinois Solar for All Program and begin reporting on such metrics in the Adjustable Block Program.

3) Portability and transferability important for low-income customers.

The Agency seeks feedback in its Draft Plan regarding the appropriate bounds of the statutorily-required portability and transferability of community solar subscriptions. The Working Group appreciates the Agency's concerns regarding unbounded Approved Vendor-imposed restrictions. The potential for restrictions that are so stringent as to render the portability and transferability meaningless is of particular concern for low-income subscribers who are often more transient but can least afford the loss of their investment. As the Agency notes, the statute requires that subscriptions must be portable, meaning they can be retained by a subscriber even if the subscriber relocates within the same utility service territory, and must be transferable, meaning the subscriber may assign or sell their subscription to another person within the same utility service territory. 20 ILCS 3855/1-75(c)(1)(N).

Therefore, the Working Group supports the Agency's plan to provide clarity on the restrictions of portability and transferability such that those requirements should be applicable across all Approved Vendors. The Working Group encourages the Agency to be particularly mindful of low-income customers. These customers may be more likely than the general mass market to require portability and transferability, and special care should be taken to account for their unique circumstances.

4) Seek HUD ruling to exempt Solar for All benefits from counting toward cost allowances

Low-income housing programs that require tenants to pay a portion of their overall income for combined utility and housing costs, regardless of the actual costs, limit the ability of low-income tenants to receive tangible economic benefits under the Solar for All program. California's Solar on Multifamily Affordable Housing program or SOMAH recently received clarification from the United States Department of Housing and Urban Development exempting virtual net metering

credits received under the SOMAH program from counting toward utility allowances⁶. Similar guidance for the Solar for All Program should be sought. To that end the Working Group urges the Agency to seek such guidance:

Alternative Wording Proposed:

(P. 174-175, addition to Section 8.2.2) Additionally, in order to facilitate the direct flow of tangible economic benefits to low-income program participants, the Agency and its Solar for All Program Administrator will explore and, if deemed feasible and prudent, pursue the possibility of receiving guidance from the United States Department of Housing and Urban Development that would clarify the treatment of Solar for All benefits with regard to cost allowance-based low-income housing programs over the 2020 calendar year.

5) Premature to allocate funding away from the Low-Income Distributed Generation Sub-Program

The Working Group is concerned that draft Plan language allowing the Agency to “adjust utility funding between those sub-programs on an as-needed basis during the program year if there are available funds in one sub-program and higher demand in another sub-program,” (p. 180) could lead to the reallocation of funds away from the Low-Income Distributed Generation Sub-Program before that program has had a chance to get off the ground.

Based on Working Group members’ conversations with industry participants, we believe that some participants were waiting to enter this market until the program was up and running and that others worry the REC price is insufficient. Furthermore, we know from experience in the non-low-income rooftop solar market that this market segment takes longer to develop than larger-scale distributed generation or community solar. In fact the Working Group is concerned that the risk of market instability posed by the threat of reallocation could keep some developers from entering the market. This is of particular concern given the considerable role that the Low-Income Distributed Generation Sub-Program will likely play in achieving the workforce development and hiring goals of the Solar for All program.

Therefore, the Working Group suggests the following options for giving the Low-Income Distributed Generation Sub-Program the time and resources it needs to develop, prior to budget reallocation. The Working Group believes all proposed options are an improvement over the status quo in the draft Plan, but did not reach consensus regarding which option was best.

Alternative Wording Proposed:

⁶ See

https://www.calsomah.org/sites/default/files/docs/SOMAH_HUD_Solar_VNEM_Credits_memo_2019-07-08.pdf

(P. 180) “In this draft Revised Plan, the Agency proposes to continue the approach described in the Initial Plan that utility funding would be allocated to the three non-competitive sub-programs at a pro-rata level based on how the law allocates RERF funding to those three sub-programs (30% to the Low-Income Distributed Generation Initiative, 50% to the Low-Income Community Solar Project Initiative, and 20% to Incentives for Non-Profits and Public Facilities.) As this allocation of utility funding to the sub-programs is not required by law, the Agency may adjust utility funding between those sub-programs on an as-needed basis during the program year if there are available funds in one sub-program and higher demand in another sub-program. However, the Agency recognizes that the market serving the Low-Income Distributed Generation Initiative is still in the early stages of development, so prior to allocating funding away from this subprogram, the Agency will both experiment with increasing Low-Income Distributed Generation REC prices as well as

[Option 1] delay moving funds between sub-programs until the close of the program year, and limit removal from any given sub-program to no more than 50% of the total funding allocated to that sub-program.

[Option 2] delay moving funds away from the Low-Income Distributed Generation Initiative sub-program until after the subsequent Plan update.

[Option 3] delay moving funds between sub-programs until after they have rolled over to future program years twice.

6) Reserve a portion of the Low-Income Distributed Generation Sub-program for projects under 25 kW

The Low-Income Distributed Generation (DG) sub-program is intended to provide funding for photovoltaic projects located on both individual homes as well as multi-unit residential buildings. The Working Group supports treating residential buildings with one to four units differently from residential buildings with five units or more. However, the Working Group has concerns that a small handful of large multi-unit residential building projects could take up the entire sub-program budget in a given year. While we recognize that the project selection protocol developed by the Program Administrator will help ensure a diversity of projects, because the budget for this sub-program may be open on a rolling basis (different from a narrow window of project submissions for community solar projects), the Working Group suggests creating a threshold for smaller systems to ensure funding can reach single-family homes and smaller multi-unit buildings as well as larger scale multi-unit developments. The Working Group suggests reserving a portion of the sub-program for projects under 25 kW as follows:

Alternative Wording Proposed:

(P. 180, new paragraph immediately following previous recommend alternative wording)
Additionally, 70% of the Low-Income Distributed Generation Incentive budget will be reserved for systems 25kW and below on an annual basis. This will ensure larger projects for multi-unit residential buildings will not eat up all potential for single- and small multi-family systems in a given year. However, any unused funds at the end of each year will be released into the full DG Sub-program bucket once the new funding year becomes available (with no restriction on size).

7) Provide additional options for income verification for the Low-Income Distributed Generation Sub-program

The Working Group remains concerned about sensitive information (e.g. Date of Birth and Social Security Numbers) being collected by Illinois Solar for All Approved Vendors. Approved Vendors are not equipped to safely collect, store, and destroy this sensitive information, and we believe that this could be suppressing involvement in the Distributed Generation Sub-program. While the Working Group appreciates the step that the IPA and Program Administrator have taken to ensure that this information is safely handled — by requiring that the paperwork is destroyed within seven days, for example — we believe there is an easier solution that will protect consumers and ensure that the program benefits are going to eligible recipients: signed affidavits.

Rather than requiring Approved Vendors to collect sensitive information, the ILSFA program should encourage them to collect affidavits testifying to total household income and number of residents. This should be restricted to beneficiaries located in HUD Qualified Census Tract to ensure program fidelity. The IPA has already deemed this approach sufficient for the ILSFA Low-Income Community Solar Sub-program. The Working Group encourages the IPA to require spot-checking of applications (e.g. the Program Administrator will request tax transcripts for five percent of all submitted applications) if they feel as though this income verification method is insufficiently rigorous for the Distributed Generation Sub-program.

Alternative Wording Proposed:

(P. 204) For buildings with between one and four units, household income can be verified by one of the following means:

- Review of the most recent federal income tax returns
- Income verification through a third-party income verification system
- Verification of participation in another low-income energy program (such as LIHEAP or state-funded IHWAP), in HUD's housing assistance programs where the income

eligibility standard is lower than 80% of AMI for that participant, or in other benefits programs where the income eligibility is lower than 80% of AMI.

- Signed affidavit that they meet income qualification levels if they reside in a HUD Qualified Census Tract

8) If a building that installs solar contains tenants that do not qualify for Solar for All Program, the benefits specific to the program should flow within reason to the intended Solar for All recipients, but net metering is not specific to the program and by law must be available for all tenants.

- a) All tenants in a building must be allowed to net meter, regardless of whether they are low-income.**

Net metering may not be limited to residential customers that are eligible for Solar for All Programs. Section 16-107.5(1)(1)(B) requires eligible customers to include multi-unit and mixed use buildings and has no limitations with respect to income. The draft language should not be revised, because the critical benefits as IPA interprets it from the Solar for All Program for residential participants is to prohibit eligible customers from paying any up-front costs for on-site distributed generation or subscription to community solar generation and demonstrate that the owner of the building is passing the benefits specific to the program on to intended recipients.

- b) The Agency, due to limited budget for Solar for All, should try to ensure that benefits funded through that budget flow directly and easily to Solar for All eligible customers only.**

The Illinois Solar for All Working Group recognizes that mixed income housing and mixed use buildings are increasingly common and are seen by some as the model for incorporating low income housing into communities. For this reason, it is important to consider how benefits would work for residents and businesses that Solar for All is meant to benefit versus those that are only meant to participate in the general Adjustable Block Program, but are located in the same building. Nonetheless, the Working Group urges the Agency to take steps to maximize the portion of Solar for All eligible beneficiaries in the overall program.

Ensuring low-income and environmental justice program participants receive tangible economic benefits from their participation is a fundamental goal of the Solar for All Program. In addition to ensuring benefits flow to Solar for All eligible customers, the process needs to be as

uncomplicated and easy as possible to entice property owners and managers to participate and for the program to thrive. The IPA should require that building owners of multifamily or multi-use buildings that plan to participate in Solar for All demonstrate that they are passing along 50% of energy savings to low income residents through reduced (or not raised) rents or by other means and communicate those benefits to the eligible residents. Non-eligible residents or business in the building may still participate, but may pay a fee to join and get reduced (or not raised) rent but based on what they would receive if participating in the general program, not Solar for All. The Agency should also consider lowering REC prices for that portion of the project to whatever the then-open block of the Adjustable Block Program would pay and explore the possibility of funding those RECs from the ABP.

9) The Working Group cautions against one-size-fits-all criteria for community-based organizations

Working Group input on this topic has been varied such that the Working Group has not come to complete consensus on the criteria recommended. Much of this is due to the wide variety of community needs and institutional roles of public entities across the state. In more urban parts of the state, there is concern that public entities can readily out-compete non-governmental community-based organizations. In rural areas, residents have expressed a concern that public entities may select projects based on cronyism rather than specific community needs for jobs, investment and energy sovereignty. Groups from smaller towns point out that in their locales, there are really no non-profits or other community groups with the formal organizational structure, skills and capacity to act as community-based organizations in the context of the Plan.

To strike an appropriate balance, the Working Group suggest a multi-part approach. First, the Agency needs to provide a path by which public entities can be certified to stand in for community-based organizations. Second, the certification should be determined on a project-by-project basis. Third, additional tracking and metrics should be established to ensure that public entities acting as community-based organizations are in equal partnership with the community rather than just handing down decisions.

The Working Group believes the path to certification must include the following minimum criteria:

- Public entities must represent, population-wise, a municipality in the bottom 25% of municipalities in the state. Similar metrics would apply to counties, school districts, etc.
- Public entities must be an “option of last resort.” Petitioning public entities must affirm that no local community-based organizations exist capable of filling the role.
- Public entities must be bound by the same rules as other community-based organizations for engaging diverse stakeholders in all aspects of the project.
- Public entities who have failed to act as community-based partners in a past project certification must be ineligible for future certification.

The Working Group also recommends ongoing review of any public entity acting as a community-based organization in the context of the Plan. As solar programs mature and the graduates of allied training initiatives deepen their work in their communities, new community-based organizations may emerge. Certifying a public entity to act as a community-based organization cannot in any way impede new grassroots community-based organizations from entering the solar space. It is essential that certifications be limited to individual projects because every project requires a unique set of organizational structures, skills and capacity.

Finally, the Working Group recommends that public entities working as community-based organizations be required to report back on their performance. Metrics must ensure that all project award decisions are transparent (disclosing past relationships, history of performance on municipal contracts, etc.) and all public participation is meaningful, going beyond regularly scheduled governmental meetings and pro forma public input opportunities such as using a general governmental website feedback form. Public entities should also be required to document the unique structures and processes they are using to deepen partnerships with community members on whose behalf they are acting. Ideally, the Agency would convene a community member review board to monitor performance of public entities working as community-based organizations and authorize it to flag any such entities based on issues that may arise, which could be used to inform their future project certification eligibility.

10) Scoring for program selection should go further to more fully quantify projects and a larger score may help

Scoring System Should Go Further to More Fully Quantify Whether Projects are Achieving Solar for All Program Goals The Working Group does not believe the current-proposed scoring system recognizes the full range of goals and requirements recognized under law. Without recognizing *all* the contributors to the community benefits aimed for in the creation of the Illinois Solar for All Program, the project selection process will fail to meet the goals of the program. Furthermore, it will do so in a systematic way - consistently failing to deliver on the specific goals that were left out of the scoring criteria (such as integration with workforce development programs). Moreover, a more comprehensive scoring system will likely prevent tiebreaking scenarios, thus eliminating the need for random project selection.

Elevate and IPA Must Carefully Balance Scores for Individual Elements Against One Another - A Higher Total Possible Score May Help The Working Group believes that limiting the potential score to a total of 8 will be unlikely to allow the level of detail needed to drive accurate scoring or effectively calibrate different scoring elements relative to one another. The Working Group feels that the current range of 1 to 8 needs to be broadened to enable assessment of more details which will more accurately determine the relative value of one

project versus another. We also feel that the narrow range will increase the likelihood of more ties in scoring which might not equate to equal levels of quality. We applaud the choice to not have a totally binary score, but we recommend that the total possible score should be bigger in order to reflect more extensive information and at the same time, have a quantifiable rationale for contract award.

Support higher scores for community solar projects serving 100% low-income households.

Under the current system, projects that seek to maximize community benefit by serving only low-income households are actually disadvantaged versus those projects with anchor tenants. This is problematic and we support the Agency's steps to address this issue in this draft Plan, including the intention to give higher scores to 100% low-income projects proposed on page 189.

11) Allow multiple qualifying non-profit or public facility anchors at 40% or less of nameplate capacity.

We note that the Agency is still proposing to allow no more than one anchor in community solar projects. The Working Group again urges the Agency to allow for multiple anchor tenants in community solar projects in the limited case where all anchors are ILSfA qualifying non-profits or public facilities, and the anchor tenants combined subscriptions do not exceed 40% of nameplate capacity. We continue to believe that this approach will better advance the Agency's (and our) goal of encouraging projects with deep community connections (LTRRPP, p. 190). As noted previously, we fear that individual community based organizations wishing to serve as anchor tenants will not have sufficient energy demand to carry 40% of nameplate and that many of these projects will require a 40% anchor tenant subscription for financial viability. By allowing multiple non-profits and/or public facilities to share an anchor subscription of no more than 40%, the Agency can encourage projects whose subscribers are more connected to the community being served.

We support the Agency's anchor prioritization scheme and suggest amendments to reflect the allowance of multiple non-profit or public facility anchors. We agree with the Agency that a non-profit/public facility anchor tenant subscription must be no less than 20% of the project size to qualify for prioritization in project selection.

Alternative Wording Proposed:

(P. 189-190) If the proposed project has an anchor tenant that does not qualify as a low-income residential household, the application should describe that anchor tenant in detail; the Illinois Solar for All incentive will be reduced to account for the share of the system subscribed by that tenant not receiving a low-income incentive. For this draft Revised Plan the Agency proposes that for any anchor tenant, that reduction would be achieved by pricing their share at the equivalent applicable Adjustable Block Program REC price (i.e., non-profit or public anchor

tenants would no longer qualify for the higher ILSFA price). A project may only have one anchor tenant, and that anchor tenant must be identified at the time of application. A project may have multiple anchor tenants in the limited case where all anchors are qualifying non-profits or public facilities in accordance with Section 8.6.3 of this Plan, and the anchor tenants combined subscriptions do not exceed 40% of nameplate capacity.

In order to encourage projects that have deep community connections, the Agency proposes that the separately-developed project selection protocol for the 2020-2021 and 2021-2022 program years (see Section 8.12.2) be updated to reflect the following prioritization in project selection:

- Projects without an anchor tenant (to maximize low-income subscriber participation);
- Projects for which the anchor tenant(s) ~~is a~~ are non-profit or public facility critical service provider(s) and also the project host(s);
- Projects for which the anchor tenant(s) are ~~is a~~ non-profit or public facility ~~that is not a~~ non-critical service provider(s) and ~~are~~ is also the project host(s);
- Projects for which the anchor tenant(s) are ~~is a~~ non-profit or public facility critical service provider(s) but not the project host(s);
- Projects for which the anchor tenant(s) are ~~is a~~ non-profit or public facility ~~that is~~ non critical service provider(s) and not the project host(s);
- Projects for which the anchor tenant(s) ~~is are~~ are not a non-profit or ~~a~~ public facilities.

12) **Non-profit and public facility eligibility**

a) **Agency should retain locational and load service requirements in the Draft Plan.**

The Working Group appreciates and supports the Agency's continued adherence to the locational and energy load service requirements in the non-profit and public facility subprogram, believing it essential that these projects be located at buildings that are located within low income or environmental justice communities and that are serving the energy load associated with non-profit or public facility customers. We do not agree, however, that adding a building ownership requirement advances the goals of the program, or that the community engagement requirements should rest solely on the Approved Vendor.

Building ownership should not be an eligibility requirement in the non-profit Public Facility Subprogram.

We understand the Agency is interpreting Section 56 (b)(2)(C) of the Illinois Power Agency Act to require public facility ownership of the building where the project will be housed based on the bolded language below:

Under this program funds shall be used to support on-site photovoltaic distributed renewable energy generation devices to serve the load associated with non-profit customers and to **support photovoltaic distributed renewable energy generation that uses photovoltaic technology to serve the load associated with public sector customers taking service at public buildings.**

But we disagree that “taking service at public buildings” creates a statutory requirement for ownership. A “public building” can include buildings that serve the public, regardless of who owns the property. By example, many public libraries and most United States Postal Service occupied buildings are not owned by the government but leased to these entities. Clearly, libraries and post offices are public buildings. Additionally, Section 56 lacks similar “building” language with regard to non-profit projects.

While we understand the Agency’s desire to incentivize projects on buildings that may be more likely to continue to provide program benefits to critical service providers for the lifespan of the project, we believe the ownership requirement will be too limiting, and that there is a better way to ensure that project benefits stay with critical service providers.

Limiting program eligibility to critical service providers that own and occupy the building that will house the project will likely disqualify many non-profit and public facilities that are located within and serving low income and environmental justice communities. Many non-profit and public agencies operate on thin margins to provide vital services to struggling communities that often have nowhere else to go for financial and other support. For instance, the City of Champaign Township in Champaign County is a public agency providing general assistance to very low income and homeless residents of the City of Champaign. While the agency is located within an ILSfA low income neighborhood, the agency does not own the building it occupies. Similarly, while the offices of Habitat for Humanity are located in a low income area in Champaign, those offices are leased from the building owner. Under this proposed change, organizations such as these will no longer qualify for the subprogram. Yet it is organizations like these and the clients they serve that are most in need of support.

The Working Group believes the Agency should not categorically exclude non-profit or public facility renters when renting is common among critical service providers. Instead, we recommend the Agency utilize a qualified tenant agreement wherein the owner of the building housing the non-profit or public facility project covenants to maintain the lease with a non-profit or public sector tenant for a period of at least ten-fifteen years. This approach provides greater assurance that program benefits will continue to flow to the intended beneficiaries while not precluding otherwise eligible and worthy facilities and organizations.

Should the law be interpreted as requiring building ownership by public facilities, such ownership should not also be a requirement for non-profit projects.

Again, there is no mention in Section 56 of the Illinois Power Act requiring building ownership by qualifying non-profit organizations, and we believe such a requirement will unjustly exclude many non-profit critical service providers whose clients could greatly benefit from this subprogram.

Demonstration of sufficient community connection should be made by critical service provider.

The Agency has placed the responsibility of demonstrating sufficient community connection to and input from low income community members solely on the Approved Vendor. We believe that, for the non-profit and public facility subprogram, this responsibility should also be placed on the critical service provider which, by definition, should have established and ongoing relationships with the customers it serves. In many cases it is likely that the Approved Vendor will have little to no connection with the customer base. We note that the Approved Vendor list includes out of state companies, and that some Illinois companies are serving as Approved Vendors for proposed projects hundreds of miles from their offices.

The critical service provider should be required to demonstrate such connection by providing:

- (1) a summary of outreach and education taken prior to the application to conduct community outreach and education about the proposed entity being serviced by this installation;
- (2) a list of community-based organizations the applicant has partnered with (including letters from those organizations to verify the partnerships) in support of the proposed entity being served by this installation; and
- (3) a demonstration of how low income customers have been provided an opportunity to have influence over project development.

The additional burden of this requirement should be minimal. It should be rather easy for critical service providers to meet these requirements given the nature of their work. In addition, a relatively small number of projects will be funded by this subprogram, and if necessary, the Agency could exempt very small projects from this community connectivity requirement.

Alternative Wording Proposed:

(P. 192) To balance these objectives, initially Illinois Solar for All Approved Vendors will have to demonstrate that the project:

1. Has project financing structured in such a way that the project is not able to make use of federal tax credits, and/or accelerated tax depreciation.
2. Documents that it meets the standards described in Section 8.11 related to projects having sufficient connection to, and input from, low-income community members;
3. Is sited within an environmental justice community or low-income community; and

4. Serves the electricity load of a building that is ~~owned and~~ occupied by an organization that is a critical service provider for the community (e.g., youth centers, hospitals, schools, homeless shelters, senior centers, community centers, places of worship, affordable housing providers including public housing sites). For a public facility, the building must ~~must be owned by a unit of government and~~ must host a critical service provider meeting this standard.

In addition, non-profit and public facility critical service providers must demonstrate a sufficient connection with the non-profit and public sector customers they serve by providing:

1) a summary of outreach and education taken prior to the application to conduct community outreach and education about the proposed entity being serviced by this installation;

(2) a list of community-based organizations the applicant has partnered with (including letters from those organizations to verify the partnerships) in support of the proposed entity being served by this installation; and

(3) a demonstration of how low income customers have been provided an opportunity to have influence over project development.

13) Low-Income Community Pilot should spur project innovation and compete on more than just price

Section 1-56 requires the Low-Income Pilot Projects to “result in economic benefit for members of the community where the project is located,” “include a partnership with at least one community organization,” and include “a project partnership that includes community ownership by the project subscribers.” 20 ILCS 3855/1-56(2)(D). The Working Group has argued in the past and continues to believe that the pilot projects have an array of clearly enumerated goals (beyond providing low-income community solar at the lowest possible price), and considering price exclusively in comparing bids frustrates rather than fulfills program goals and requirements. Luckily, it is entirely possible to develop “fair and equitable guidelines,” that consider more than price when comparing bids, and the Agency should do so for the next round of the Low-Income Community Solar Pilot program.

The Working Group advocates for a scoring system similar to that currently used for the ILSfA community solar subprogram. The scoring rubric should include criteria for REC price, location (e.g., within a LI or EJC community), participants savings, MWBE participation, and project distribution. By introducing a scoring rubric, many of the unintended consequences of having the low REC price as the sole selection criteria can be mitigated. For example, to achieve the lowest possible REC price, a project will need to charge subscribers the maximum amount allowed by the program. A project with a slightly higher REC price may be able to provide a much higher percentage of the benefits to the subscribers.

In addition, selecting projects based upon the lowest REC price alone will likely result in more projects in rural areas (where land is less costly) than in urban areas that could provide additional

benefits to the community beyond just reduced electrical rates. We also feel that it is important to encourage the location of pilot projects in low income and environmental justice communities, and that pilots should be geographically distributed throughout the state, not simply concentrated in areas where development costs are lowest.

Project selection criteria should also reward the use of MWBEs below the Approved Vendor level. Rewarding incentives to the lowest bidders or only looking at whether Approved Vendors qualify as such will likely result in the absence of meaningful MWBEs in this subprogram, because working with such entities often requires the use of additional time and other resources.

We also advocate that the definition of subscriber should be broadened beyond just small residential subscribers and community-based organizations. Instead, bidders should be required to define their target subscribers and the resulting economic benefits for community members. This is better in keeping with 20 ILCS 3855/1-56(2)(D), which, as previously noted, requires pilot projects to provide economic benefits for the members of the community in which the project will be located but nowhere specifies that a Pilot Project must serve only small residential subscribers.

The following images illustrate a scoring system in line with that proposed above, that could be used to fairly and equitably evaluate bids for the Low-Income Community Solar Pilot Program.

Criteria 1 Rec bid 0-100 Raw Score= $(1/(\$/\text{REC of bid}/ \$/\text{REC of all projects summed}))$ * scalar that puts the maximum score at 20
 Scalar = 20/lowest Raw Score
 Score (2 sig fig) = Raw Score * Scalar

Example 1:

	\$/REC	Raw Score	Scalar	Score
Project A	\$51.24	4.66		13.77
Project B	\$60.58	3.94		11.64
Project C	\$46.52	5.13		15.16
Project D	\$45.00	5.30		15.68
Project E	\$35.27	6.77	2.96	20.00
	\$238.61			

Criteria 2 Low Income Community
 10 points for Pilot Projects located in LI Areas
 0 Points for Pilot Projects located outside LI areas

Example:

	LI?	Score
Project A	Yes	10
Project B	Yes	10
Project C	Yes	10
Project D	No	0
Project E	No	0

Criteria 3 EJ Community
 10 points for Pilot Projects located in EJC Areas
 0 Points for Pilot Projects located outside EJC areas

Example:

	EJC	Score
Project A	No	0
Project B	Yes	10
Project C	Yes	10
Project D	No	0
Project E	No	0

Criteria 4 Participant Savings

% Savings passed on to subscribers	Score
81-100%	10
61-80%	5
50-60%	0

Example:

	% Savings	Score
Project A	100%	10
Project B	100%	10
Project C	62%	5
Project D	50%	0
Project E	50%	0

Criteria 5 MWBE

\$ to MWBE/total incentive value	Score
81-100%	10
61-80%	7.5
51-60%	5
25-50%	2.5
0-25%	0

Example:

	% MWBE	Score
Project A	10	0
Project B	83	10
Project C	35	2.5
Project D	55	5
Project E	20	0

Locational by Group

- Prioritize projects based on initial total score of Criteria 1-5
- Award first project
- give 5 points to the projects that are not in the group that was awarded the first project
- re-prioritize and award next project
- Repeat until all projects are prioritized

Example:	Step 1	Group	Locational		Locational		Locational		Step 4
			Points	Step 2	Points	Step 3	Points		
Project A	33.77	A	5	38.77	0	38.77	NA	NA	
Project B	51.64	B	NA	NA	NA	NA	NA	NA	
Project C	42.66	A	5	47.66	NA	NA	NA	NA	
Project D	20.68	A	5	25.68	0	25.68	0	25.68	
Project E	20.00	B	0	20.00	5	25.00	5	30.00	

Project B is Ranked No 1 Project C is No 2 Project A is No 3 Project E is No. 4
Project D is No. 5

14) (Waitlist) The ILSFA Working Group maintains our earlier recommendation that no attributional points are given to waitlisted projects

The ILSFA Working Group maintains that each funding year should be dedicated to selecting projects that best match the goals of the Illinois Solar for All program. Any preferential treatment of projects that were not selected in prior program years - by allocating an additional point, for example - could decrease the relative competitiveness of a project that better serves target communities.

The Working Group developed [alternative wording] for the following section: Chapter 8, Section 8.12.2. Project Selection for Sub-Programs with High Demand.

● **[Alternative Wording Proposed]:**

1. (P. 201) ~~The 2019-2020 project selection process may result in a waitlist of unselected projects within one or more sub-programs for that program year. The Agency proposes through this Revised Plan that each 2019-2020 waitlist would not be used after May 31, 2020.~~ The Agency proposes that the project selection process is reset every program year. Preferential treatment of previously submitted projects (i.e. by maintaining a waitlist) could compromise the competitiveness of projects that better represent the attributes that FEJA prioritizes.

15) Building owners should be required to agree to maintain at least half of a building's units as affordable housing for a period of ten years

In its current draft, the Plan states that “For residential buildings of two or more units, the building owner will be required to agree to maintain at least half the units as affordable housing for a period of five years” (Section 8.13.2). The Working Group recommends that this requirement be extended to ten years. Given that the duration of Solar for All REC contracts is 15 years, the Working Group believes that five years is an insufficient amount of time for low-income residents to derive great benefit from these contracts, especially given that initial technical issues and other barriers may result in lower REC deliveries in the early years of these contracts, compared to later years when these barriers have been addressed. A ten-year commitment ensures that substantial REC benefits are delivered to affordable housing residents for such a period that creates “a **long-term**, low-income solar marketplace,” as is the objective of the IL Solar for All Program (Section 1-56(b)). Commitments of this duration are not unprecedented and can be found as conditions to receive deep retrofits for energy efficiency programs, for example.

Alternative wording proposed:

(P. 205) “For residential buildings of two or more units, the building owner will be required to agree to maintain at least half the units as affordable housing for a period of ten years.”

16) Job training requirements provide reasonable flexibility as-is, although Agency should monitor and make changes in specific instances/if problems arise

The Working Group believes the job training requirements for Distributed Generation (“DG”), including in the second and third project years, are adequate and, along with their design for trainee inclusivity, are not necessarily too challenging in general. However, the Working Group recognizes that the job training requirements may be a valid concern for small firms that have limited resources and are working in areas with lower numbers of located trainees. The Working Group believes that accepting waivers for inclusion on a case by case basis is an acceptable solution.

The job training requirement states that each ILSFA Approved Vendor “will have to demonstrate that for their first year of participation, 10% of the hours worked on projects will be by job trainees, and that amount would increase to 20% in their second year of participation, and 33% in the third year.” (Illinois Power Agency Draft Revised LTRRPP, p. 198)

The requirement specifies hours put into projects, rather than proportion of job trainees in the workforce. This introduces flexibility, allowing firms to actively and efficiently engage job trainee(s) in projects and adjust workforce dynamics based on their needs and situations. For instance, depending on the project size and characteristics, even a small number of well-trained and supervised trainees may be able to fulfill the requirement hours, therefore not necessarily needing to jeopardize the job positions of existing current employees invested in the firm.

To address potential challenges posed by geography or firm size, “The Agency will consider requests for waivers of this requirement on a case-by-case basis if an Illinois Solar for All Approved Vendor can demonstrate that, despite diligent efforts at recruitment, job trainees are not available in the area where projects are being installed and this would prevent the project from being completed.” (Illinois Power Agency Draft Revised LTRRPP, p. 198)

This solution still requires firms to attempt to meet the requirements and document their inability to recruit qualified job trainees in the area.

Even so, the Working Group suggests that the IPA should still consider informal program adjustments to note the concern from solar project developers. On the company’s required

document submission summarizing its use of job trainees, the agency could add questions assessing the effect of the job training requirements on the company's workforce. The Working Group believes it is important to monitor in-the-field realities to determine whether there are (ideally unlikely) situations occurring where invested employees are replaced in their workplace.

Furthermore, the program may need to re-allocate jobs requirements to other sub-programs if the DG sub-program is unable to meet the jobs goals that the program has set. The Working Group encourages the IPA and administrator to track job creation by Approved Vendors and projects in the other subprograms, noting that the project selection scoring could reward those projects additional point values for voluntarily creating job training opportunities in the development of their project.

Alternative wording proposed:

(P. 198) "Illinois Solar for All Approved Vendors will be required to document the use of job trainees in all Illinois Solar for All subprograms, and to provide a summary of their work to the Program Administrator that includes documentation of what effect the training requirements had on the company's workforce."

Areas of Support

While there are many areas of the draft Plan update that the Working Group supports, there are a few we would like to highlight because they represent departures from or clarifications of previous policy with which the Working Group agrees.

1) Open enrollment is critical to the success of the Low-Income Distributed Generation Subprogram

The Working Group continues to believe that in order to foster a successful DG subprogram, characterized by informed participation of households enrolled through appropriate and, ideally, community-driven outreach, it is important that the DG subprogram function as open enrollment. While the initial round of the program, with the release of the 2018-2019 funds did not include an open enrollment component, the current round focusing on the 2019-2020 funds does. The Working Group was pleased with this development and wants to emphasize the importance of this feature, going forward.

2) Draw down utility-funds first to avoid losing access to needed funds

The Working Group continues to monitor the borrowing situation of the RERF funds and recognizes and is concerned that that fund may not ever be fully secure. Nonetheless, the Working Group agrees with the IPA that, under current law, the utility-funds are less secure and

should be drawn down first, prior to utilizing the RERF funds. However, in the event the problem limiting Agency access to “rollover” funds is corrected by the legislature such that those funds will be available beyond the expected full utilization of the RERF, the Working Group recommends the IPA revert to its original Plan of drawing down RERF funds, first.

3) Allocation of RERF funds on an accrual basis makes sense

The Working Group supports the approach to managing the RERF funds laid out in the Plan update whereby: the amount allocated sets aside that much funding for selected applications during that program year, but is likely to actually be expended in future years in many cases due to the development timeline of photovoltaic projects (RECs are paid for upon energization). Unallocated RERF funds from any program year for a given sub-program would roll over and increase the balance available for the subsequent program year for that sub-program.” (Draft Plan at 178). We believe this is a commonsense approach to the issue of payouts occurring over time, depending on development timelines that are not fully predictable or controllable.

4) 100% ownership can be established over a six-year window of time

The Working Group supports the approach to allow for a six-year window of time to complete transfer of ownership of a project — said approach will confer needed flexibility in light of difficulty with financing projects of this type. The Working Group continues to monitor the models for low-income project ownership, including models emerging in other states where low-income subscribers could own 100% of discrete portions of *physical* photovoltaic systems, such as individual panels, as well as the energy attributed to the panels owned. In the event that the plain meaning of ownership to be shifted or expanded by the legislature to permit these and other methods of calculating 100%, the Working Group recommends the IPA and its Program Administrator revisit the ownership structure in subsequent Plan revision.

Conclusion

The Working Group appreciates this opportunity to provide comments on the draft Plan update and looks forward to continued work alongside the IPA and its Program Administrator to enhance and improve the Illinois Solar for All Program and outcomes for low-income and environmental justice community members.