

**To:** Illinois Power Agency  
**From:** Kim Knowles and Participants in the Illinois Solar for All Working Group  
**Date:** 12/3/2021  
**Re:** Illinois Solar for All Working Group Response to IPA's Nov 2021 Request for Stakeholder Feedback

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Dear Illinois Power Agency & Program Administration Team:

The Illinois Solar for All Working Group is pleased to deliver the enclosed comments on the request for comments issued in November 2021. 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 meets on a monthly basis and is co-facilitated by Juliana Pino of Little Village Environmental Justice Organization, MeLena Hessel of Environmental Law and Policy Center, and John Delurey of Vote Solar.

The following members of the Working Group are signatories to these comments:

Prairie Rivers Network	Architectural Services Group, Inc.
Environmental Law & Policy Center	Central Road Energy LLC
ONE Northside	Green Energy in Motion, Inc.
Renewable Energy Evolution (REE)	Illinois People's Action
Sierra Club, Illinois Chapter	Vote Solar
Central Illinois Healthy Community Alliance	Pilsen Environmental Rights and Reform Organization

SustainRockford	Trajectory Energy Partners
Seven Generations Ahead	

### Working Group Commenting and Engagement History for IL Solar for All

- A draft White Paper delivered to the IPA in May 2017 and [published](#) that July.
- [Responses](#) to IPA's June 2017 Request for Comments on the Long-Term Plan.
- The Working Group also submitted a response to the Draft Long-Term Renewable Resources Procurement Plan on November 13, 2017.<sup>1</sup>
- 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 Working Group's response to IPA's July 3, 2019 Request for Comments on the Long-Term Plan Update.
- The Working Group continues to provide input to comment and stakeholder processes initiated this year to implement the Revised Long-Term Plan, including via May 2020 comments on project selection and July 2020 comments on Approved Vendor reporting.
- In early 2021 the Working Group submitted comments on the [DG subprogram referral](#) process and on [project selection](#).
- In summer 2021, the Working Group submitted multiple sets of comments following IPA workshops on the Long-Term Plan Update, specifically:
  - [Comments on strengthening MWBE participation in renewables programs/procurements](#).
  - [Comments on the Solar for All and Adjustable Block Programs, generally](#).
  - And [comments on REC pricing](#).
- Attendance by multiple Working Group participants at many (likely, all) IPA and Program Administrator public workshops and webinars related to the Solar for All Program, since 2017.

### 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*<sup>2</sup> 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:

<sup>1</sup>

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

<sup>2</sup> [www.lowincomesolar.org](http://www.lowincomesolar.org)

- **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 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.

## **Comments**

The Illinois Solar for All Working Group appreciates the opportunity to comment on the Illinois Power Agency's draft Long Term Renewable Resources Procurement Plan (the LTRRPP or Plan) development. This Working Group already submitted comments<sup>3</sup> on Plan development earlier this year that were reflected in the draft Plan released this August and withdrawn in September. The Working Group was largely pleased with where the withdrawn plan landed, although we think even greater emphasis can and should be placed on reaching deployment levels in the Low-Income Distributed Generation subprogram commensurate with levels seen in rooftop low-income solar programs in other states. With this in mind, these new comments focus largely on the new issues and challenges raised by the passage of Public Act 102-0662, rather than rehashing comments already submitted and considered over the summer.

### **Interaction with other funding/grant opportunities**

*Public Act 102-0662 creates several new funding opportunities that are external to the Illinois Solar for All Program but could help support projects and participants in the Program. These include the Climate Bank at the Illinois Finance Authority, the Illinois Clean Energy Jobs and Justice Fund, and the Equitable Energy Upgrade Programs.*

**Question:** *The boards of these entities could include solar developers who participate in ILSFA. What considerations and protections should be put into place to prevent conflicts of interest?*

We do not believe there needs to be a policy within the Solar for All program to prevent conflicts of interest. The new inclusive financing programs created via CEJA, including the three mentioned in the prompt above, will be competitively neutral and available to a wide swath of potential Approved Vendors.

Even if a financial product somehow emerges that is only applicable to a single Approved Vendor, this should not bar that Approved Vendor from participating in the ILSFA program. Individual Approved Vendors make new arrangements with financing entities on a regular basis, often bilateral relationships or contracts that could give them a competitive advantage over other Approved Vendors. This should not prohibit their involvement or invoke conflict of interest policies from the Illinois Power Agency or their ILSFA Program Administrator.

That is not to say that conflict of interest policies are unimportant, but rather that they should be the responsibility of the new financing entities. Each one will have to navigate how they create these policies in their by-laws or program design. We intend to advocate for policies that would require a conflicted member to recuse themselves from sensitive conversations and votes.

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<sup>3</sup> See here:

<https://www2.illinois.gov/sites/ipa/renewable-resources-workshop/Pages/Responses-to-Request-for-Comments-2021-Workshop.aspx>.

**Question:** *Should adjustments to REC prices or required savings levels be considered for projects utilizing these programs, similar to the increased savings level currently required for nonprofit/public facilities projects that utilize the Investment Tax Credit?*

Potentially, but it will be too soon to tell by the time the Plan is released. This will be a good conversation for the next Plan and in any ongoing program reform between now and then.

**Question:** *Are there other external funding opportunities which the Agency should account for in establishing ILSFA incentive levels?*

If Congress passes the Build Back Better Act, and if that includes a provision for residential direct-pay Investment Tax Credit (ITC), then the IPA might consider adjusting incentive levels for the residential LIDG subprogram. This policy change might unlock new pathways for LIDG customers to own their systems outright.

## **Environmental Justice Communities**

*Public Act 102-0662 directs that the environmental justice communities as defined for ILSFA be used in defining the location of "equity investment eligible communities." Section 8.15 of the current LongTerm Plan details the CalEnviroScreen indicators that were applied to determine the census tracts that would be designated using data from the US EPA's EJSCREEN tool, which is updated yearly. ILSFA's EJ maps have not been updated (other than through the community self-designation process) since early 2019, which used EJSCREEN data published in 2019, calculated from data collected by the U.S. Environmental Protection Agency between 2014 and 2019.*

**Question:** *When and how frequently should the environmental justice maps be updated using the most recent EJSCREEN data?*

We think it is time to update the EJC maps. However, the timing of the applicability of the update needs to be coordinated with the program year cycle. Furthermore, it will be important to give developers time to target any new EJC areas for development while avoiding unjustly punishing projects that were developed in good faith in previously designated EJCs. With that in mind, we recommend that the IPA develop a lagged approach to implementing the update. Specifically, because the application windows open at the beginning of the program year, we suggest that any changes to the maps become applicable the following program year. For example, if the map update is completed during PY5, those changes would not be applicable to the program until PY6. We also suggest that the LTRRPP designate that the EJC maps will be updated at least every three years.

With regard to updates to self-designated communities, the IPA should allow an EJC self-designation to continue for a fixed cycle of EJC reevaluations. Environmental hazards occur routinely. The results have long term generational implications and certain communities have to live with the effects of these hazards. The effects of EJ hazards can take decades to remediate. Given this, the IPA should be extremely careful not to place too high an administrative burden on communities that have been subject to environmental hazards to maintain their self-designation. At the same time, it is relevant to consider the risks of gentrification. In the event a self-designated EJC experiences significant gentrification, and in the event health and environmental risks no longer persist at very serious levels, it likely does make sense to remove that EJC self-designation. With this in mind, the Solar for All Working group recommends that EJC self-designation stay in place and be reviewed in no less than six year periods.

In addition, we think the LTRRPP should plan for the Program Administrator and the EJC committee that reviews EJC applications to convene a stakeholder meeting, during the update process, to review and revisit how EJC is being defined and applied as we have a number of questions we'd like to help address. For instance: Should an EJC designation be based on current or historical environmental impacts? How should the EJ scoring for a community reflect changes in pollution burden or population characteristics? How long after a polluter shuts down and legacy pollution is cleaned up does it continue to impact the town? We think these types of discussions would benefit those that want to apply for EJC self-designation and the evaluation of EJC designation requests. Furthermore, part of this stakeholder meeting should focus on how to make the self-designation process more accessible to communities themselves. The Working Group is aware of a number of instances in which individuals were interested in self-designating their communities but either found the process too difficult to navigate, or navigated the process, but with significant difficulty. This is not true for developers who seem to have an easy time navigating the process. Given this, there must be routes - be they Program Administrator support or changes to the process - to make self-designation more accessible to individual community members.

## **Grassroots Education**

*Section 1-56(b)(3) of the IPA Act (as modified by Public Act 102-0662) includes language that specifies that grassroots education funding be used to “assist in community-driven education efforts related to the Illinois Solar for All program, including general energy education, job training program outreach efforts and other activities deemed to be qualified by the Agency,” with the caveats that funds go to “community-based groups and other qualifying organizations” and that “funding shall not be used to support the marketing by solar project development firms and organizations, unless such education provides equal opportunities for all applicable firms and organizations.”*

**Question:** *The current model of grassroots education utilizes localized education campaigns conducted by grassroots nonprofits familiar to their communities. What types of “other activities” could be funded through community-based groups and other qualifying organizations that could further “community-driven education efforts”?*

While some in the Working Group believe Grassroots Education funds should be reserved for grassroots organizations promoting customer enrollment in the program, many believe additional Grassroots Education funding should be deployed to support potential Approved Vendors in understanding the Illinois Solar for All program. The current paradigm - of exclusively funding community-based organizations to do customer outreach - effectively informs customers about Illinois Solar for All programs and opportunities. A parallel process to inform and support solar companies and potential Approved Vendors would help expand the universe of participating vendors. Attracting additional Approved Vendors would be helpful for all subprograms but is mission-critical for the Low-Income Distributed Generation subprogram.

With this in mind, we propose creating a separate grant application process for “other qualifying organizations” that are familiar with solar development and would provide services to companies and contractors who want to learn more about participating in the ILSFA program. These would be “community-driven education efforts” targeted at the broader community of solar vendors and developers, perhaps with an additional focus on supporting smaller and newer companies as specified in statute. Other than that potential prioritization, and perhaps some additional support in areas of the state with fewer ILSFA Approved Vendors, their services could be competitively neutral and available to all prospective Approved Vendors. They would be expected to do proactive outreach to the wider Approved Vendor community and to help Adjustable Block Program participants better understand the ILSFA program.

This is not designed to replace the Program Administrator’s role in managing and supporting *existing* Approved Vendors and program participants. The relationship would transition to the Program Administrator’s vendor management team once they joined the ILSFA program. Similarly, this would not be designed to replace the existing process of recruiting community-based organizations to inform potential customers about ILSFA options.

## Energy Sovereignty

*Section 1-56 (b)(2)(A) of the IPA Act (as modified by Public Act 102-0662) directs the IPA to reserve a portion of sub-programs for projects promoting energy sovereignty “through **ownership** of projects by low-income households, not-for-profit organizations providing services to low-income households, affordable housing owners, community cooperatives, or community-based limited liability companies providing services to low-income households.” It also specifies that “local people have **control of the project and reap benefits from the project over and above energy bill savings.**” Questions related to energy sovereignty for specific sub-programs are asked below. The following are general questions across sub-programs.*

**Question:** *What should be a general standard for “ownership”? Is it majority ownership, full ownership, or some other standard*

Majority ownership should be required as a minimum with additional points available for projects that have full ownership by the qualifying entities. This recommendation for majority ownership is based in part on the conviction that decision making and authority over development and management of the project ultimately rest with the community owners. This, too, should be part of the minimum requirements around community ownership. Of course, it is also important to recognize that this area of community ownership is so new, with a number of cooperative organizations and solar developers currently wrestling with the challenges and developing creative solutions. With this in mind, the IPA should institute a waiver process for these minimum requirements in order to create a pathway for projects that do not meet our preconceived notions of community ownership but that, still, upon review, offer this important benefit.

**Question:** *Should requirements for ownership be defined over a specific time period? For example, to take advantage of federal tax incentives should project financing models that include the transfer of ownership after a set period of time be allowed? If so, what should be the consequences if ownership is not transferred?*

Yes, these projects should be allowed if it can also be demonstrated that community ownership, control and benefits can also be realized. Six years is the minimum time for ownership required to take advantage of the current Investment Tax Credit (ITC). At the current 26% of capital costs, the ITC more than covers the investor's profit from the project and takes much of the risk away from the client (e.g., the non-profit). Furthermore, if there are intrinsic issues that will affect system performance (e.g., poor craftsmanship, unreliable equipment), we believe that the majority of these issues would shake out within the first six years of operation. This gives the client an opportunity to gauge the efficacy and reliability of the system. We suggest that any ownership arrangements that occur from day 1 through year 6 be given equal weighting. If system ownership transfer is longer than seven years, the value of the ownership declines relative to the remaining life of the system and the cost of electricity at that point in time. Should project selection be necessary, a sliding scale for the value of ownership over time could be employed.

**Question:** *How should "providing services to low-income households" be defined and measured? Can the Agency's current approach of critical service providers used for the non-profit/public facilities sub-program be used as a proxy?*

We agree with using critical service providers as amended as a proxy here.

**Question:** *Should REC prices be higher for projects that promote energy sovereignty? What factors should be considered as drivers of higher costs for these projects? What provisions should be included to ensure that the benefits of those higher prices flow through to the project owners?*

Higher REC prices for projects that promote energy sovereignty are appropriate and, likely, necessary to spur this type of project development. This is particularly true outside of the NP/PF and large multifamily space, where ownership flip models are already fairly common with current REC prices.

Some drivers of higher costs:



- Additional project development costs including legal costs and community engagement might require increased REC incentives for some subprograms, as would additional costs for project management and subscriber management.
- We recommend exploring using an adder to the REC contract that is paid at ownership transfer with the adder going to the new owner for community solar and DG projects.
- The Program Administrator could establish a mentoring program that incentivizes the original owners to assist the new owners with the systems necessary to manage and run their project. Incentives could include a preference in project selection for such a commitment. The mentorship program could start two years before the ownership transfer so the new owners can learn how the project operates.

**Question:** *Are there other provisions that should be considered for projects that promote energy sovereignty such as different project application requirements, collateral requirements, project development timelines, etc.?*

No response at this time.

### **Additional Comments on Energy Sovereignty from Individual Working Group Members**

*These comments do not represent a fully developed position of the Working Group, but rather represent experiences and perspectives the Working Group believes could be helpful to the IPA in thinking about energy sovereignty.*

Energy Sovereignty should include assuming responsibility for the O&M, insurance, and any other on-going costs of operation. The program currently requires that the installer (not the AV, not the array owner, and not the client) provide O&M for the 15 years of the REC contract with no definition of what that O&M should consist of. Some think this is a disaster waiting to happen. We want to encourage small installers but what happens when some of them fail? Who takes care of the O&M for those systems? Another option is to make these costs the responsibility of the Approved Vendor or Approved Vendor Aggregator, with the knowledge that an Approved Vendor can transfer the project to another Approved Vendor, which could be the new “sovereign.” An AVA could hold back an appropriate amount to cover O&M from the REC payment. Furthermore, the program needs to define O&M requirements for systems so that whoever is responsible for the O&M knows how much they need to accrue to manage the project. This also prevents an installer from providing suboptimal O&M - if there is no O&M minimum then anything could be called O&M (example: how often should a technician inspect a system? Is once a year sufficient? Once every other year? only every 5 years? Every 15 years? Only when the system is not operating at the expected level of production? These scenarios arguably all constitute “O&M.”

In addition, any project will need to clearly articulate the cost that the new owner will have for the lifecycle of the system. Another option to consider is a mandatory escrow account that is set-up for O&M that is tied to the system collateral that is transferred from the old owner to the new owner. The Approved

Vendor could step in and deduct (with permission from Administrator) funding from the Collateral Escrow Account. Additional information will need to be provided as to who retains possession of the collateral. Collateral can be put up by the AV or the original owner, then when the transfer occurs, the new owner would either have to buy-out the collateral (which is converted into the Collateral Escrow Account) or enter into an industry standard O&M Agreement with the AV that includes once a year inspections and a percentage allocation for equipment repair. The minimum O&M cost could be based on existing system size categories and whether it is roof mount or ground mount. The market will help dictate which solution would be the most cost effective and appropriate for the system.

Another thing to note - one of the largest impediments to ownership that Approved Vendors have encountered is the no upfront payment and first year 50% savings requirements of the program. As an example, a PY4 NP/PF client, a town in the metro east area of southern Illinois, had been given funding for its planned solar array. These funds had come from an environmental impact payment from the nearby oil refinery. While upfront payments are allowed in the subprogram, any payments they made would be included in the first year payments and these first year payments cannot exceed 50% of the projected first year savings. Consequently, they had to take out a loan for the cost of the system, make the first year loan payment equivalent to 50% or less than the projected first year savings, and then pay off the loan at month 13. This seems contrary to the goals of the program. Suggestions to address include: (1) exclude upfront payments related to the cost of the system from the first year savings determination calculation and (2) allow a waiver from this requirement for energy sovereignty projects that gives the program administrator a chance to review the specifics of the purchase and address any consumer protection concerns.

## Distributed Generation

*Section 1-56 (b)(2)(A)(ii) of the IPA Act (as modified by Public Act 102-0662) instructs the Agency to “make every effort to enable solar providers already participating in the Adjustable Block program [in the small distributed generation block] to easily participate in the [1-4 unit distributed generation] program [...] and vice versa.”*

**Question:** *What barriers do developers of small distributed generation projects who participate in only the Adjustable Block Program face that could be reduced to promote their participation in ILSFA?*

- High costs associated with the subprogram, including higher customer acquisition costs and project submission costs, as well as costs associated with higher project attrition and the lower profit margin of smaller projects due to a higher proportion of fixed costs.
- Project submission and approval in the LIDG subprogram has proven frustrating and difficult, and has driven some existing ILSFA AVs out of the program. The project submission process, including the project submission portal run by the ILSFA Program Administrator, should emulate the ABP project submission and approval process wherever possible without eliminating unique program requirements or consumer

protections. The working group recommends the ILSFA Program Administrator use the same portal as ABP Program Administrator, or at a minimum ensure it can auto populate cells similar to the ABP portal. We understand that there would be a few additional required cells to upload, but ABP Approved Vendors have navigated the ABP portal successfully and efficiently. The time for Approved Vendor staff to enter in duplicative data (sometimes the same information multiple times) is adding time and creating errors between contract and disclosure, and is not efficient, nor sustainable, and will be a barrier for new ILSFA Approved Vendors who want to serve single-family households.

- Similarly, to increase efficiency in Program Administration, while increasing participation, the Working Group encourages the adoption and use of the same production and shading modeling as required and accepted by ABP. For efficiency and equity of households served, there should not be two different requirements or expectations between ABP and ILSFA. ABP Approved Vendors will have difficulty serving ILSFA customers if they are asked to create new, different shading software or debate current shading rules with every project.
- Further, the Working Group encourages the IPA to leverage and utilize the state licensing requirements and code rules to improve the efficiency of the quality assurance reviews. This will eliminate obstacles ILSFA Approved Vendors have faced, that have driven some from participation. The ILSFA Program Administrator should utilize and rely on the code rules and licensed inspectors in Authorities Having Jurisdictions (AHJs) and utilities to ensure projects meet code and are safe for residents. When an AHJ approves on-site electrical and building inspection, and as utilities pass on-site interconnection tests, there should be no need to have additional review by uncertified inspectors reviewing photos of the installations, questioning the approvals or review that licensed inspectors and utilities provide on code requirements.
- A general lack of understanding among ABP Approved Vendors about how the program operates and what the additional requirements are is likely also contributing to these barriers.
- Relatively few companies have the financial and technical resources to design their own ILSFA LIDG offer. Even fewer have ways of identifying investors that can monetize the ITC and make the projects pencil out. A third-party aggregator with a standardized offer might help smaller companies participate.
- Ongoing REC reporting requirements. Many potential vendors perceive the Illinois Solar for All program as having projects with greater inherent risk of disconnection. This increases apprehension about potential REC clawbacks. This risk - real or not - would likely need to be overcome with some combination of increased rewards via higher REC payments, modified or reduced reporting requirements, and improved data about whether or not these investments are riskier than their general market counterparts.
- The IPA/Program Administration team should revisit the Approved Vendor registration requirements with regard to the small residential (1-4 unit) subprogram. The Working Group has heard from some vendors that these registration requirements are a barrier to participation, leaving us concerned that vendors are either avoiding Solar for All-eligible customers or try to sell those customers systems at ABP prices. This is an outcome the

IPA should strive to avoid. Furthermore, while we supported these requirements during initial implementation, a closer examination leads us to question the necessity and utility of some of the questions on the Approved Vendor application for vendors that are primarily interested in the DG program. Additionally, the IPA/Program Administration team should explore the appropriateness of proactively helping ABP Approved Vendors register for Solar for All in order to participate in the small residential subprogram. This role - of recruiting and supporting prospective ILSFA vendors - could also be filled via Grassroots Education funding as proposed above.

- Similarly it is likely worth a review of the ILSFA AV Manual to examine whether those requirements that deviate from the Adjustable Block Program are important for small residential projects. For example, instead of the seven-day wait period to sign disclosure, which we understand is causing many residents to lose interest or contact, the IPA could follow the same ABP disclosure signature rules, while adding a 10-day cancellation requirement to provide the same customer protection levels while maintaining additional LIDG contacts. The Working Group does not have a position either way on these requirements at this time, beyond believing that, in light of the slow uptake in the LIDG program, such a review is warranted.

We appreciate that the Program Administrator has taken a number of steps to ease access to ILSFA in the past program year, including creating an offers sheet listing standard offers available from ILSFA Approved Vendors, creating a referral process to connect interested potential participants with Approved Vendors, and the option for the potential participant to complete the income verification process with the Program Administrator directly. Although activity in the LIDG subprogram has grown slightly in the past year, this subprogram still needs substantial growth.

**Question:** *What are other ways that ILSFA Approved Vendors can be supported to increase interest in developing ILSFA residential solar projects?*

Ideas include:

- Educating Approved Vendors through ongoing “Power Hours” and stakeholder meetings
- Developing mentorship program with assistance from existing Approved Vendors.
- Provide upfront seed capital via collaboration with the new inclusive financing program created by CEJA.
- Continue to simplify income verification and project submission processes.

We are grateful for the steps that the Agency has taken to make the process of income verification easier for AVs, including third-party qualification and moving income verification to program administrators. However, there is still room for improvement. With regard to simplifying income verification, in particular, we urge the Program Administration team to review the specific documents requested for submittal to see if there is room for additional options. The Working Group has heard anecdotes regarding difficulty in proving participation in qualifying benefits programs because the rules specify a narrow set of documents for proving participation when, in reality, other documents exist that could verify participation. While anecdotes are just that, seeking additional options to verify benefit program

participation is still a smart idea that could lessen the challenges currently faced by this subprogram (and improve customer experience for other subprograms, as well).

Additionally, we have become aware that low-income community solar programs in a number of states, including Maryland, New York, and Virginia, utilize self-attestation to verify participants' incomes. We would recommend the IPA investigate the pros and cons of this income verification method for low-income community solar, including through requesting stakeholder feedback on this idea in the draft Plan, and potentially reserve the right to switch to this income verification method in the Plan, if investigation suggests it is an appropriate and helpful step.

Lastly, we strongly encourage the Agency and its Program Implementer to coordinate closely with other programs made possible through CEJA. This includes the new inclusive financing mechanisms made possible via the Climate Bank, the Clean Energy Jobs and Justice Fund, and the Jobs and Environmental Justice Grant Program at DCEO. It also includes the contractor development programs coordinated by DCEO. Information about the Illinois Solar for All program should be embedded in the Clean Energy Contractor Incubator program and the Prime Contractor Accelerator program.

**Question:** *How can Approved Vendors be supported to encourage project development in areas that are currently underserved by ILSFA Approved Vendors?*

If participation in the program increases to the point where it becomes competitive, use a project selection protocol. In the meantime, provide an adder for currently underserved areas and increase grassroots education work in these areas.

**Question:** *If recommending changes to REC prices, what specific cost components would need adjustment?*

The Working Group believes that the LIDG REC prices must be immediately increased but that this alone is insufficient to fix the slow uptake in the subprogram. The reasons for requesting this increase are twofold: (1) the model inputs should be revisited to better reflect increased ILSFA costs and (2) the REC prices are too low and should be increased to stimulate participation in the program. We support the Agency's decision to increase LIDG REC prices in the latest draft LTRRPP but encourage it to revisit the model and prepare to adapt REC pricing based on market signals.

Regarding the need to revisit how the CREST model is used, the ILSFA LIDG subprogram is different from the ABP Small DG subprogram. It tends to focus on comparatively smaller projects (average of approx 6.2 kW DC compared to the ABP Small DG average of 8.2 DC kW) and has a higher rate of project attrition which leads to higher customer acquisition costs.

The Plan should adjust the CREST model inputs to account for smaller projects, assuming that the model is currently run based on inputs of a 10 kW system. While this might be a fair enough proxy capacity for the ABP, it is a significantly larger system than what we have seen and expect to see in the LIDG subprogram. Instead, we believe the ILSFA LIDG model should be run based on a 6.5 kW system.

Smaller project size leads to proportionally higher fixed costs per project. This effect is especially likely to result in inadequate REC prices in the LIDG subprogram given the higher fixed costs of customer acquisition.

We support the Agency's decision in the August 2021 draft LTRRPP to increase the CREST model input regarding project "Development Costs and Fees" to 150% of the corresponding Adjustable Block Program factor. We encourage it to go further and consider a CREST model run that is tailored to the Illinois Solar for All LIDG subprogram and features a smaller projected system size.

Regarding the need for a higher REC price, despite having a REC price roughly double that of the ABP Small DG subprogram, the LIDG subprogram has had very little participation. If the REC prices penciled out to make these LIDG projects sustainable and profitable, companies would be participating and seeking out customers. Instead, a small handful of companies are struggling to make it work.

We believe that the Plan should establish significantly higher REC prices for the LIDG subprogram, particularly for smaller projects under 25 kW, in order to attract new entrants to the ILSFA LIDG subprogram. This change is especially needed for Group A, which has seen no LIDG projects to date. As such, we propose a higher increase in Group A LIDG REC prices should the Agency decide to increase RECs to stimulate subprogram participation. Over time, the Agency could lower the REC prices to make the budget go further and drive innovations of business models and financing. But with only 5% of the budget currently claimed and a fourth program year with cumulative projects stuck in the double digits, it is time to reassess whether the model is accurately capturing program costs and, regardless of the model's accuracy, to assert that the Agency has the duty to increase RECs to stimulate this critically important subprogram. We recommend that the Agency prepare to adjust REC prices based on ongoing market signals within their statutory authority in between LTRRPP cycles.

Approximately \$7.5m was available for the LIDG subprogram in each of the first three program years. The first program year saw no projects. The second program year saw nine projects claiming \$4.11m of incentives, including one large multi-family project. The third cycle has seen 48 projects claiming \$1.41m. This leaves approximately \$16.98m of cumulative funding unclaimed and unallocated. With an average single-family residential project claiming about \$15,000 in incentives, that is enough funding for approximately 1,132 households to receive free solar and significant energy bill savings. This gap will only grow with the increased budget allocation given to the LIDG subprograms via CEJA. A clear next step on the path toward success is an increase in REC prices.

**Question:** *What should ongoing stakeholder engagement/feedback process look like to inform efforts to expand LIDG development?*

Regular working group meetings. The goal here is to facilitate a back and forth discussion with administrators similar to what occurs in the Illinois Consumer Protection Working Group and in the Illinois Energy Efficiency Stakeholder Advisory Group (SAG). Participants should include the IPA, Elevate, InClimate, LIDG/ILSFA providers, grassroots educators, members of this Working Group, and other parties interested in the program's success. Furthermore, while we believe a stakeholder group

should focus first and foremost on the LIDG subprogram, we do not recommend limiting its focus to LIDG. Meetings should occur at least monthly and the Working Group believes that reforming the project application process and opportunities for streamlining program requirements should be addressed first. For this ongoing reform to be effective, it is critical that, once a problem is identified, the IPA's hands are not tied such that it has to wait until the next Plan to make changes. Thus the Working Group supports the IPA's proposal from the now-withdrawn Plan to pilot program or process changes and further urges the IPA to be careful about what decisions it locks in, in the Plan, versus allowing for further development outside of the Plan.

*Illinois Solar for All has a requirement that incentives deliver tangible economic benefits to eligible low-income participants. In master-metered buildings, program eligibility currently requires the owner to commit to passing along at least 50% of the energy savings to all the tenants, regardless of income levels, and communicate that these benefits are a result from the installation of solar.*

**Question:** *How can "tangible economic benefits" be better defined?*

Provide evidence that the benefit offered is needed/desired by the tenants along with the dollar value of the benefit. Examples: on-site laundry, free or subsidized internet, subsidies for daycare, grocery gift cards, free storage, EV charging infrastructure, common area improvements.

**Question:** *What does energy sovereignty look like for multi-family projects?*

Majority or greater ownership by a qualifying entity. We can imagine a co-op or a nonprofit organization owning a multi-family unit along with the solar array at the unit. We can also imagine each of the low income tenants in the unit owning their own array (or portion thereof) on the roof, especially if the building is multi-metered and is a condominium.

## **Nonprofit & Public Facility Subprogram**

*Public Act 102-0662 of the IPA Act (as modified by Public Act 102-0662) expands the Adjustable Block Program in Section 1-75 (c)(2)(K)(iv) directing the creation of a block dedicated for solar projects installed at public schools, with priorities for projects located within environmental justice communities.*

**Question:** *Since the Adjustable Block Program will now include a category specifically for public schools should public schools no longer be eligible to participate in ILSFA?*

Correct, they should be ineligible to participate in the Illinois Solar for All program. This can be accomplished by eliminating public schools from the Critical Service Provider (CSP) list and specifying that they cannot be designated as CSP through the self-designation process.

**Question:** *Are there types of schools that wouldn't qualify under Section 1-75(c)(2)(K)(iv) that should still be considered eligible for ILSFA?*

Private schools do not qualify under Section 1-75(c)(2)(K)(iv). Those located in low income or environmental justice communities (and serving predominantly LI and EJC) should still be considered eligible for ILSfA.

*Section 1-56 (b)(2)(E) of the IPA Act (as modified by Public Act 102-0662) creates a new subprogram for low-income large multifamily solar projects, with incentives targeting residential buildings with 5 or more units.*

**Question:** *Should multifamily residential housing be no longer eligible for the Nonprofit/Public Facilities sub-program and only eligible for the new low-income large multifamily solar subprogram?*

Yes, these projects should no longer be eligible for the NP/PF incentives. We've seen at least one multifamily residential project application in the highly popular NP/PF subprogram that could/should have been participating via the LIDG subprogram. For the sake of consistency in the program and to not "punish" these projects by disqualifying them for the NP/PF subprogram, the IPA should seek to set roughly equivalent prices for the NP/PF subprogram and the large multi-family subprogram (absent strong evidence that they generally face substantially different economics).

*Section 8.6.3 of the current Plan requires the organizations that host Nonprofit/Public Facilities projects be "a critical service provider for the community," and provides examples of "youth centers, hospitals, schools, homeless shelters, senior centers, community centers, places of worship, affordable housing providers including public housing sites." Section 4.2 of the ILSFA Approved Vendor Manual expands on these examples to a list of over 25 other qualifying non-profit entities, and Approved Vendors have requested the Program Administrator consider other entities as a Critical Service Provider.*

**Question:** *Should the criteria for critical service providers be refined to include a requirement that the facility demonstrate that it provides a majority of its efforts/activities to low-income participants.*

Yes, a requirement should be added that the facility demonstrate that it provides a majority of its services to low income participants. The Agency should also examine a further refinement to require a majority of services to environmental justice communities.

**Question:** *Are there changes to the list of critical service providers that should be considered?*

We recommend no changes at this time.



## Low Income Community Solar

Section 1-56 (b)(2)(B) of the IPA Act (as modified by Public Act 102-0662) detailing the Low-Income Community Solar sub-program states, “The Agency shall reserve a portion of this program for projects that promote energy sovereignty through ownership of projects by low-income households, not-for-profit organizations providing services to low-income households, affordable housing owners, or community-based limited liability companies providing services to low-income households. Projects that feature energy ownership should ensure that local people have control of the project and reap benefits from the project over and above bill savings.

**Question:** *What does community ownership of a community solar project look like?*

An eligible group of persons or an organization (as defined by CEJA) has an ownership interest in a project company. As outlined by CEJA, the ownership agreement can account for a phase in for purposes of utilizing tax credits, but there must be a binding agreement that transfers a controlling interest to the eligible entity after the requirements of the ITC and depreciation are met.

Some of our members believe that part of the equation for community ownership is local investors who are in alignment with the mission of the community group. The idea behind this is that these local social-conscious investors will help target needed projects, not just financially lucrative ones, and help with the transition to true community ownership. However, the Working Group does not recommend restricting community ownership in this way, at this time, but rather considering the role of investors in community-owned projects, in the future.

**Question:** *How can the financial risks to communities that come with long term ownership be managed? In particular, costs associated with subscriber acquisition and turnover, subscriber/bill management, and equipment maintenance such as future inverter replacements?*

These risks cannot be eliminated, and are an inherent aspect of ownership of a large, expensive, electrical device with multiple subscribers having contractual agreements.

One approach to managing risk is to create a requirement that the management team for the new owners are graduates of or participate in a community solar mentoring program so that the program is confident that the new owners can handle the responsibility. The Program Administrator could establish a mentoring program that incentivizes the original owners to assist the new owners with the systems necessary to manage and run a community solar project. Incentives could include a preference in project selection for such a commitment or a yearly adder for the original owners for a select period of time when they provide the mentoring. The mentorship program could start two years before the ownership transfer so the new owners can see how the project operates.

**Question:** *What factors should be considered in determining appropriate incentives for projects demonstrating energy ownership?*

- Additional project development costs including legal costs and community engagement.
- Additional costs for project management and subscriber management by community owner.
- REC adder upon project transfer of ownership to community owner.
- Funds for participation in a mentorship program for the management team of the new owners.

**Question:** *What would individual ownership by a low-income household in a community solar project look like?*

CEJA rightly recognizes the risks and responsibilities inherent in ownership in a large, complicated entity, and for this reason made low income households, nonprofits, affordable housing owners and community-based LLCs eligible to serve as an ownership entity for energy sovereignty. The cooperative model is also used. What individual ownership by a low-income household in a CS project will look like will be dependent upon the ownership structure.

**Question:** *What benefits constitute “over and above bill savings”?*

A contractual agreement that defines ownership structure should also include details on profit sharing distributions for the project. These distributions can take the form of increased bill savings or direct payments. Other possible benefits may be qualitative, such as pride of ownership, local control, community engagement, enhanced knowledge and skills regarding owning and managing a solar project.

Section 1-56 (b)(5) of the IPA Act (as modified by Public Act 102-0662) states that “The third-party administrator’s responsibilities shall also include facilitating placement for graduates of Illinois-based renewable energy-specific job training programs, including the Clean Jobs Workforce Network Program and the Illinois Climate Works Preapprenticeship Program administered by the Department of Commerce and Economic Opportunity and programs administered under Section 16-108.12 of the Public Utilities Act. To increase the uptake of trainees by participating firms, the administrator shall also develop a web-based clearinghouse for information available to both job training program graduates and firms participating, directly or indirectly, in Illinois solar incentive programs.”

## **Equity & Workforce Development**

**Question:** *How should “facilitating placement” go beyond sharing of information between graduates and potential employers?*

- This could be modeled after the successful workforce development programs in Cook and DuPage county. The key has been both support to the employer in the form of grant money to

help with on the job site training and support to the new hire in the form of job applicant lessons such as resume writing and things like gift cards for gas money to get them started at their new jobs. Some of this might be provided via the new Energy Transition Barrier Reduction programs offered through the Department of Commerce and Economic Opportunity. It will be crucial to coordinate closely with DCEO to avoid duplicating services provided by the new CEJA workforce and contractor and other existing programs.

- Career fairs on a quarterly basis with potential employers. Companies who are listed in the clearinghouse should be required to attend a minimum number of them per year.
- Program Administrator mentorship of graduates to help graduates with a) mock interviews, b) translating their life/work experience into transferable skills in a well-developed resume, and c) developing an online profile on LinkedIn (or similar)
- Set up opportunities for potential employers (through the use of Calendly or similar) to be industry ambassadors who donate their time to help with mock interviews and talk about the different roles within a solar company and the training/skills requirements for those roles
- A web-based portal to connect potential employees with employers is critical. Ensuring the participation of the solar industry with a web-based portal will increase its usefulness and success. The Illinois Solar for All Working Group is aware that the Illinois Solar Energy Association (ISEA) has a strong interest in developing, facilitating, and overseeing a portal to connect potential employees with employers and leverage their relationship with the Illinois solar industry. We recommend the Agency involve ISEA in any conversations about such a web-based portal.

**Question:** *What are key features a clearinghouse should offer?*

- The clearinghouse needs to be functional in the near term. It took ComEd three years to build their job portal, and it was never released. This failure cannot be repeated.
- Job information should be publicly viewable. A job seeker should not have to register in order to view the opportunities.
- The clearinghouse should provide information to the employers about applicant training and availability. But more importantly the program administrator for the clearinghouse should be the collector of information between both parties about what is or is not working as the program develops.
- Search feature that has a number of filters for narrowing potential employer search (eg. pay range, work location, travel requirements, transportation requirements)
- Calendly or similar feature where candidates can set up a time to talk with potential employers directly for 15 min appointments (to talk about the company, available positions, what it's like to work there, etc. Any company who is listed in the clearinghouse should provide a minimum number of 15 min slots for candidates each month.
- Videos describing the different roles within a solar company with testimonials of people who work in those roles.
- Key features should not only include a resume/CV, but it should also include a checklist that identifies each of the graduate's skill competencies after completing the job training programs. The US Department of Labor's [Renewable Energy Industry Competency Model](#)'s Industry-Wide

Technical Competencies is a recommended resource to best understand each of the graduate's strengths/weaknesses for key occupations in the industry. These include:

1. Personal Effectiveness Competencies;
  2. Academic Competencies;
  3. Workplace Competencies; and
  4. Industry-Wide Technical Competencies.
- Initially, allow workers to self-identify as equity eligible individuals and contractors to self-identify as equity eligible contractors. Provide map-based tools to help users identify whether they or their projects are happening in EJ or R3 communities. This baseline functionality is critical to matching equity eligible workers and contractors to the actual work they have prepared themselves to do.

**Question:** *How can the Program Administrator ensure that trainee and job listings are updated regularly by the appropriate parties?*

- Employers registered or using the connection portal should be responsible for reporting back anyone they have hired using the portal.
- There should be a "shelf life" for job listings. Perhaps they are cleaned up every 8 weeks and would need to be reposted by the employer if the position is still open.

*Section 1-56 (b)(2) of the IPA Act (as modified by Public Act 102-0662) states that "The Agency shall make every effort to ensure that small and emerging businesses, particularly those located in low-income and environmental justice communities, are able to participate in the Illinois Solar for All Program. These efforts may include, but shall not be limited to, proactive support from the program administrator; different or preferred access to sub-programs and administer-identified customers or grassroots education provider-identified customers, and different incentive levels."*

**Question:** *What should be the definition of "small and emerging businesses"? May businesses be either "small" or "emerging"? At what point is a business no longer "small and emerging", and how should the Agency track those business-specific changes?*

The Working Group offers three different perspectives on this question.

On the one hand, some of our members believe that requiring that a business be both small and emerging to qualify will be too limiting, especially in rural areas where there may not be any "emerging" businesses. Therefore, allowing either/or to participate would be preferred. In terms of the qualifications, a "small business" could be defined as one that has less than five employees and gross revenue less than \$2,000,000. "Emerging business" could be defined as one that has been operational for less than two calendar years.

Alternatively some of our members believe that small and emerging implies that the company must be small and emerging. This implies a threshold for size and a fixed amount of time after founding.

Either way, for size we suggest using the SBA's Small Standards tool,<sup>4</sup> which uses the North American Industry Classification System (NAICS) codes to define small business. For solar PV the codes are:

- 221114 Electric power generation, solar
- 221114 Power generation, solar electric
- 221114 Solar farms
- 237130 Alternative energy (e.g., geothermal, ocean wave, solar, wind) structure construction
- 237130 Solar power structure construction
- 238210 Solar panel installation
- 334413 Solar cells manufacturing
- 423690 Solar cells merchant wholesalers
- 926130 Solar energy regulation

As an example, for a solar panel installer, the annual revenue must be less than 5% of the SBA established threshold and less than 10% for businesses located in low-income and/or environmental justice communities. An emerging business is one in operation for less than 5 years for those operating in LI and/or EJ and 3 years for other businesses to ensure additional support for small and/or emerging businesses in LI and EJs.

A yearly report from the company attesting to their annual revenues should be adequate. When the company's revenues exceed the standard or the fixed time runs out, they no longer qualify as a "small and emerging" business.

Finally, some of our members believe that it is important that small and emerging businesses be defined broadly to include (but not be limited to) all equity eligible contractors to ensure greater participation by these entities.

**Question:** *What specific barriers are unique or particularly acute to small and emerging businesses?*

- Inadequate capital. Small and emerging businesses will not have access to the capital for up-front investments in the same manner that larger, more established businesses may have. This limits the ability to finance projects.
- ILSFA prohibitions on upfront costs and fees. Money can cover a lot of missteps in business and when you are a small and emerging business a small misstep can sink you.

**Question:** *How should small and emerging businesses in low-income and environmental justice communities be specifically targeted for support?*

Provide access to capital that can be used to meet the upfront financing requirements that prohibit upfront costs and fees, and/or develop a network of local banks that would be willing to finance ILSFA projects in these targeted areas and provide some type of loan guarantee.

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<sup>4</sup> <https://www.sba.gov/size-standards>

**Question:** *If different incentive levels (increased REC prices) are warranted, what methodology should the Agency employ for considering higher small and emerging business incentive levels?*

If the barriers to providing financing are removed through facilitation of a capital source, then a higher REC price will not be needed.

*Section 1-56 (b)(2) of the IPA Act (as modified by Public Act 102-0662) states that “The Agency shall strive to ensure that renewable energy credits procured through the Illinois Solar for All Program and each of its sub-programs are purchased from projects across the breadth of low-income and environmental justice communities in Illinois, including both urban and rural communities, are not concentrated in a few communities, and do not exclude particular low-income or environmental justice communities.”*

*The Project Selection Protocol as refined for the 2021-2022 program year implemented a Regional Environmental Justice Score point attribute in the Low-Income Community Solar sub-program to prioritize selection of community solar projects in areas where the distribution of selected projects is disproportional to the region’s distribution of environmental justice communities.*

**Question:** *Previous stakeholder feedback, including that received during the summer of 2021 for the development of the now withdrawn draft Second Revised Plan, suggested the need for stability and sufficient advance notice of changes to the Project Selection Protocol. If the Project Selection Protocol is further updated when should that new Project Selection protocols take effect? Should it be for Program Year 2022-23 (beginning Summer 2022) or Program Year 2023-24 (beginning Summer 2023)?*

In general, any changes to project selection criteria should be finalized at least 1 year prior to the beginning of a program year. While the working group continues to support stability and advance notice of changes to project selection criteria, there is one area in which we recommend changes in the short term for the next program year: points for project size. CEJA now allows behind the meter and community solar projects of up to 5 MWac, which is 2 ½ times larger than previously. An individual 5 MWac project would take up an inordinate amount of funding from a particular sub-program. The working group recommends no points be awarded for projects exceeding 2 MWac.

**Question:** *How should the Agency promote development in underserved areas if a sub-program is not oversubscribed and thus not requiring use of the Project Selection Protocol and instead the subprogram is accepting projects on a first-come, first-served basis?*

Notification, in the form of a letter to the municipal leadership, could be sent advising that funding is available for solar development in their community and asking that the individual cities/villages then take that information and share it with community members via local media outlets (newspapers, city facebook site, etc.).

This question also underlines the importance of expanding the role of grassroots education efforts to include recruiting Approved Vendors in areas of the state that are not well represented. Regions that have

numerous ABP Approved Vendors but few ILSFA Approved Vendors should receive additional dedicated resources through grassroots education funding to attract new vendors. See our response above regarding grassroots education funding for additional details.

In addition, we encourage IPA to explore working with the Energy Transition Navigators created in the Climate and Equitable Jobs Act.

## **REC Pricing**

*While we understand the need for the modeling at the beginning of the program, we believe REC pricing changes should be determined through an evaluation of the results of the program, rather than based on a model, at this stage of the process. Considering the current REC price, the Agency should examine the following:*

- *Is the subprogram getting applications for and awarding REC contracts to a variety of project sizes?*
- *Is the subprogram getting applications for and awarding REC contracts to projects throughout the state?*
- *Are the LI or NP/PF clients owning projects or on a reasonable time frame to ownership (i.e., Energy Sovereignty)?*
- *Are the savings being passed to the client above or, better yet, significantly above the minimum requirements?*
- *Is there a healthy level of competition that results in the ability to prioritize and fund projects that best meet the goals of the program?*
- *Are MWBEs successfully participating in the subprogram year over year?*
- *Are job trainee goals being met?*

Though there was a misunderstanding about the ITC when the REC price was set, some in the Working Group view that mistake as having happily resulted in the NP/PF subprogram being able to provide a resounding yes to each of these criteria. The current REC prices have successfully driven project size, location, energy cost savings, energy sovereignty, and MWBE participation towards program goals. Because the level of competition is high, developers know they need to pass on savings to the customer (including ownership), enlist MWBE participation, and develop smaller projects in the locations directed by the selection criteria if they want to win a REC contract.

Therefore, we believe there is a case for not raising the current NP/PF REC prices and significantly increasing REC prices for the LIDG subprogram. For community solar, these project selection criteria and overall REC pricing are difficult to evaluate because so few projects have been awarded. In this case, the REC price modeling would prove valuable for guiding any changes.