To: Illinois Power Agency
From: Participants in the Illinois Solar for All Working Group
Date: 7/23/2021
Re: Illinois Solar for All Working Group Response to IPA Workshop Request for Comments #2

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 following your second 2021 renewables plan workshop. 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 and MeLena Hessel of Environmental Law and Policy Center. Over 75 participants include representatives from the following organizations and others:

Prairie Rivers Network	Trajectory Energy Partners
Environmental Law & Policy Center	Central Road Energy LLC
Vote Solar	ONE Northside
Citizens Utility Board	SustainRockford
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.
- 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]

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

- The Working Group also submitted a response to the Draft Long-Term Renewable Resources Procurement Plan on November 13, 2017.[2]
- 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 InClime 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.
- Thus far in 2021, the Working Group has submitted comments on the DG subprogram referral process and on project selection.

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*[3] 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

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

[3] www.lowincomesolar.org

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.

Summary of Comments

The Illinois Solar for All Working Group (ILSFA WG) appreciates the opportunity to respond to the questions posed by the Illinois Power Agency (IPA) during Workshop 2. We will also use this opportunity to address critically important issues beyond the scope of the listed questions, particularly regarding the need for a structure that facilitates ongoing reform to the ILSFA program.

While we answer most of the questions posed by the Agency, our highest priorities include:

Creating a structure to guide ongoing ILSFA reform. The ILSFA program lacks opportunities to provide consistent and ongoing feedback. Stakeholder meetings that have been convened, such as the January 2021 workshops on the customer referral process, have been helpful but seem to occur in a vacuum. The Working Group believes that these opportunities would be more beneficial if they were part of a broader structure of stakeholder engagement and feedback collection. This is especially important for improving the Low Income Distributed Generation (LIDG) subprogram. Details of this proposed structure can be found on pages 13-14 at the beginning of our ILSFA LIDG comments.

Establishing stability in the programs by establishing the project selection process well in advance of the procurement cycles. The Working Group has appreciated the opportunities provided by the IPA and the ILSFA Program Administrator to help craft and refine the project selection process over the last four Program Years. That said, we believe that the underlying goals of project selection - of incentivising developers to pursue some projects over others - will fail unless the landscape is stable enough for developers to find and cultivate those priority projects. These criteria should be finalized at least a year before project submission deadlines.

Allowing pathways towards innovative project financing and ownership structures. Energy sovereignty and customer ownership are priorities for the Working Group. We encourage the IPA to think creatively about how to allow for and further encourage innovative project financing models that transfer ownership before the end of the 15-year REC contract.

Enacting substantial structural reform of the Low-Income Distributed Generation (LIDG) subprogram. This Working Group believes that it is time to initiate significant and immediate improvements to the LIDG subprogram. The lack of participating Approved Vendors and dearth of projects reflects, in large part, structural issues with the program design, rather than a new program having a slow start. Some companies operating in the program have withdrawn due to program flaws and structural barriers. Other companies that specialize in low-income solar in other regions have taken a close look at the structure of the LIDG program and decided not to enter the ILSFA market. Our core proposals for reform are as follows:

1. **Increase the REC price**. Current prices do not adequately reflect the 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. Until at least some of these soft costs are reduced, the

REC prices must be increased. The Working Group will discuss more about the ILSFA LIDG REC price in our response to Workshop 3.

2. **Formalize a customer referral pipeline**. The Program Administrators have recently taken steps towards creating a customer-friendly process for learning more about the program and connecting customers with Approved Vendors providing solutions. The Working Group encourages the Program Administrator to continue working towards a centralized and accessible onboarding portal and believes that the IPA should include this in the LTRRPP as part of the Program Administrator's scope of work. This expanded scope should also include outreach to other low-income programs, such as weatherization and energy efficiency programs, to build the list of eligible customers interested in ILSFA LIDG.
3. **Reduce administrative and project submission burdens**. Project submission and approval in the LIDG subprogram has proven frustrating and difficult, and has driven some 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 compromising unique program requirements or consumer protections. The Working Group requests that the IPA include periodic reviews and stakeholder feedback opportunities in the LTRRPP focused on making the submission and approval processes less burdensome.
4. **Create dignified and streamlined income verification processes**. The income verification process should feature automatic approval for customers that demonstrate household-level third-party qualification, such as LIHEAP or IHWAP. In other words, that household with third-party qualification would not have to complete a separate form that lists all household members and their respective incomes. If they do not have third-party qualification, a subset of the Working Group believes the form listing household members and their respective incomes should be sufficient as an affidavit of their status as a qualifying low-income customer.
5. **Identify ways to attract "aggregators" to the LIDG landscape**. 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 and provides further rationale for increasing the REC price. Additionally, the Working Group is considering advocating for exempting ILSFA LIDG projects from ongoing REC reporting requirements so as to reduce the risk, perceived or real, that these projects have a higher chance of being disconnected and subject to REC clawbacks. The risk of clawback
6. **Further connect ABP Small DG subprogram Approved Vendors and Designees with the ILSFA LIDG subprogram**. The Working Group imagines a future where all companies participating in the ABP Small DG subprogram are familiar with the ILSFA program and are trained to help identify potential LIDG candidates. This way, if an ABP salesperson identifies a customer that might not qualify for traditional solar options, perhaps because their credit score is too low or their estimated savings are insufficient, that salesperson could refer the customer to specific ILSFA LIDG companies or to the consolidated onboarding portal.
7. **Create a new, separate multi-family subprogram**.

Adjustable Block Program

Some slides and questions were not relevant to the ILSFA Working Group. We answered select questions below and deleted all other questions.

Slide 12: Industry Structure and Business Models

1. Does the current Approved Vendor/Designee model appropriately address the roles and responsibilities of types of firms involved in solar projects? What alternative approaches could the IPA consider?

   Response: Currently, the ABP has Approved Vendors (AVs) and Designees, with Designees being any parties that are not AVs that may have direct contact with the clients. The ILSFA program, on the other hand, differentiates between AVs, AV Aggregators, AV Designees, and "Subcontractors." We would like to see the programs be consistent and prefer the granularity of the ILSFA program's registration requirements. This granularity will be especially helpful when it comes to diversity reporting, which we believe should be required in the ABP going forward, as well as for any ABP subprogram which might undergo project selection under new legislation.

   An AV should be defined as a party that signs a REC contract and owns the system. An AV Aggregator signs the REC contract on behalf of a third party project owner. That third party project owner should be required to register with the program as an AV Designee (AVD). Should the system be transferred to a new owner, that new owner will need to be an AV or an AVD (unless the new owner is the entity/household receiving the energy benefits). The "Subcontractor" category should consist of all parties that interact with the client, regardless of compensation amount, and any parties that are compensated greater than some de minimis amount of the REC contract (e.g., 5%).

   While we do not want to see the registration process for subcontractors be overly burdensome, registration would facilitate and improve diversity reporting. Currently, diversity reporting is required of AVs and those AVs must report on behalf of their designees. One complication of this current system is that multiple AVs may use the same subcontractor resulting in the over-reporting of total worker and diversity numbers. By registering the different parties that work in the industry and requiring each registered party to report, a more accurate profile of the workforce numbers and composition can be attained. This information can inform future initiatives aimed at ensuring the solar industry's workforce meaningfully reflects the diverse composition of Illinois' residents.

   The Working Group also believes that a project selection process should be utilized in the Adjustable Block Program wherever feasible, as it would be for at least one ABP subprogram under new legislation. The added granularity that our proposed workforce and contractor registry creates would allow project selection points to be awarded in a manner that better reflects the priorities and goals of the legislation. For example, a range of points could be awarded for varying levels of MWBE participation, with a number of points awarded to a project that engages a MWBE AVA and a greater number of points awarded on a project that uses an MWBE AV.

Slide 13: Project Financing Models and Program Requirements

2. Should the Program provide increased differentiation of application requirements for projects based on that project's financing model (Purchase, Lease, PPA)? If so, why and how?

   Response: We are not aware of any issues of concern that would be addressed by differentiating application requirements based on a project's financing model. Rather, we are concerned that this would be a complication that could confuse clients and cause distrust with the program (e.g., one neighbor's disclosure is different from another's).

   a. Should program requirements vary between Residential/Non-residential projects? If so, why and how?

      Response: The use of project size appears to be an adequate proxy for residential and non-residential. Furthermore, differentiation between residential and non-residential becomes complicated for multi-family housing.

   b. Should disclosure forms better reflect information most applicable to each system's financing model? If so, what information on disclosure forms should be modified?

      Response: We do not want to see the disclosure form become any more complicated than it already is. Furthermore, we are not aware of any issues of concern that a change related to the financing model used might address.

      As for disclosure information that we would like to see modified, the disclosure form for the ABP includes the following:

      > "System Warranty and/or Maintenance Provider will be the same as the System Installer."

      We are concerned that this requirement may discourage MWBE installer participation in the program. We believe the LTRRPP should be modified to allow for third party management of system warranties and O&M. That party could be the installer, the AV, the AVA, or a separate third party service provider.

c. Should REC pricing vary by financing model (including if/how REC payments are passed through to end-use customer)? If so, why and how?

Response: No. The solar market responds to a number of financial factors that can change rapidly including tax law, hard and soft project costs, technology, local conditions (e.g., permitting), energy costs, competition, and the demands of the clients. A predictable and consistent REC price across the myriad financial models used by the industry helps to stabilise and smooth out some of the financial winds that can buffet what is currently a small and, with the exhaustion of ABP funds, shrinking market. Furthermore, we also feel that the best way to ensure that the value of the REC payments are most efficiently flowing to participants is to have a healthy competitive market that allows consumers to choose between solar providers. The solar industry in Illinois is not yet as robust or diverse as we would like to see it. We do not want to see the market herded into a particular financial model. At this point in time, we feel that the complications that would result from more complex or targeted REC prices are not worth the incremental savings that the program might experience.

The Working Group is also concerned incentivising one model over another could have unintended consequences on solar access. While it is true that system ownership typically holds the greatest opportunities for long-term wealth building and savings, it is also true that many customers, particularly low-income customers, do not have that option. An LMI customer might not have the funds set aside for a purchase, or perhaps they cannot claim the federal ITC for lack of tax appetite. They may just not have a high enough credit score, given that system loans tend to require higher credit scores than system leases. We urge the IPA to carefully consider weighting one model over another.

Slide 14: Project Application Requirements

3. What project application requirements should the Agency consider streamlining, and how?

4. What additional information for project applications should be required?

5. Should improvements be made to handle changes in system design between initial application (Part I) and energization (Part II)? How can system design changes be most effectively communicated to customers?

Slide 16: System Design Standards and Consumer Disclosure

6. If the Agency adds additional disclosure requirements for non-optimally designed systems, what are appropriate triggers by category (e.g., capacity factor, panel azimuth, shading) and appropriate thresholds for requiring disclosure?

Response: We do not understand the continued concern regarding "non-optimally designed systems." As we noted in our February 26, 2021 response to proposed approved vendor manual updates for Section 10, the ILSfA program requirements for REC determination and savings benefits are based on system generation (i.e. kWhac output), regardless of the array efficiency. As such, the RECs are paid out based on performance only. In addition, the low-income homeowner's payments, whether via power purchase agreement (PPA), lease, or purchase, are grounded in production (via the savings requirements) not system size or system cost. While we trust that the Agency's and the Program Administrator's motivations are based in consumer protection and "best practice" concerns, we fear disclosing these kinds of technical issues will confuse rather than help clarify a client's decision making process.

7. Non-optimally designed systems generally feature lower capacity factors and thus lower REC payments compared to a more-optimally designed system.
    a. How should this be disclosed/conveyed to customers?

       Response: It's a highly technical issue that does not impact the client's decision about going forward with the project. So long as there are appropriate boundaries around describing and portraying savings and net present value, requiring additional granular detail about system design seems like it could cause more confusion than anything else. This is especially true of the ILSFA program where the REC value - a self-regulating system for optimizing system design as described above - comprises a larger percentage of the project's value stack.

    b. What else should be conveyed to the customer? For instance, should disclosure be required that a customer may receive decreased net metering benefits associated with reduced system production?

       Response: The disclosure form includes production estimates for the array to be built. How are the customer's net metering benefits decreased from what is disclosed? We do not feel any additional information related to optimal vs non-optimal design is necessary or helpful for informing a customer's decision making process.

Slide 17: Consumer Protections

8. Should customer satisfaction surveys or other proactive means of gauging customer understanding/satisfaction be considered? If so, what questions would be most helpful to ask customers?

   Response: We recommend customer satisfaction surveys be sent out, not only to measure customer satisfaction and correct for vendor miscommunication, but also to help future customers decide on a vendor. Because the surveys would only be sent to verified customers of the program(s), the results could be used to inform a published ratings system on the program website(s). If the Approved Vendor is working with a Designee(s), the customer should be sent separate surveys for each company.

Picking an Approved Vendor can be daunting for customers. Currently, customers can do their own research on private websites, use personal networks, or consult the ABP Consumer Complaint Database. The Complaint Database is an insufficient tool to decide on vendors, both because there is minimal information disclosed, and also because the tool was not designed to provide positive feedback. Customers want to know companies that have left positive impressions, not just those that have violated program guidelines.

Having a star rating tool would guide customers to make better informed decisions based on the AV's or Designee's customer satisfaction reviews. While there are many examples of private ratings websites, there are also examples of performance rating/evaluating platforms from government entities, including the Contractor Performance Assessment Reporting System and Medicare provider data from the Centers for Medicare and Medicaid Services.

The surveys should be administered by the Program Administrator. This may lead to less surveys submitted, because the customers have a relationship with the Approved Vendor/Designee, and not the Program Administrator. However, it is important to maintain the credibility and accuracy of the results. The Program Administrator reaching out to the customer also provides an important opportunity to correct any misinformation that the consumer might have received. That said, we would support requirements for the Approved Vendors and Designees to also send the survey invitation to customers after project completion.

The surveys should include scaled questions, to inform the ratings system, as well as qualitative questions. Questions may include:

- Did your solar provider give you clear information about the program?
- How would you rate the response time of your solar provider?
- Which parts of the application process were the most enjoyable? Least enjoyable?
- Do you feel you are getting good value from the solar system/subscription?

9. What other tools should be considered to help ensure that Illinois residents and businesses are properly served by the solar marketplace?

   Response: The "Project Status" tool on the Illinois Shines website is an important tool for DG customers to track whether their project has progressed. We recommend creating a similar tool for ILSFA. Better consumer education is needed to promote the tool, including explaining it on the standard disclosure forms and/or brochure. We'd also recommend clear messaging on the tool webpage which explains how to contact the Program Administrator if the consumer is unsatisfied with their project's progression or suspects vendor miscommunication.

There should be a Consumer Complaint Database for both the ABP as well as Illinois Solar for All, available on each program's website. If the complaint is made against a Designee, the database should list the AV(s) working with that Designee to make this more transparent for customers. The database webpage should also clearly define Approved Vendor and Designee.

Slide 20: Consumer Education/Program Information

10. Has the Illinois Shines branding (and dedicated website) for the Adjustable Block Program been helpful for consumers? If so, how and why?

11. What additional educational resources could the program develop to aid consumers?

    Response: Customers interested in signing up for either program are confronted with a large amount of highly technical information. It is critical they understand certain concepts in order to ensure they are receiving the full value of their solar agreement. There continues to be confusion around net metering, SRECs, and the project application process. Although the program websites include information on these topics, customers who are just starting to look into the ABP or ILSFA are often overwhelmed. Graphics or videos would be helpful educational tools. The "Illinois Shines Program Timeline" graphic provided clarity for customers confused about the application process.

    The Agency has considered educational videos in the past, and we recommend considering short, simple videos if program funding is expanded. These videos can explain net metering, the billing process for a PPA, SRECs, community solar billing and credits, and other difficult concepts.

    In addition, visual resources or clear information on Alternative Retail Electric Suppliers and how they present a critical issue for customer value would aid customers in getting the most out of the programs. Currently, there is little to no information pertaining to the ARES and their impact on net metering credits.

    The ILSFA Program Administrator created a Program Resources Guide for AVs/Designees that includes important information on supplemental programs for customers, including energy efficiency programs. We recommend that a similar guide be developed for ABP vendors and customers.

12. What additional reporting/analysis of program data would benefit consumers and other program participants?

    Response: We recommend that simple, up-to-date, and easy-to-use, and easy-to-find maps of approved projects be available on each program website.

We also recommend project capacity dashboards for community solar projects. Customers looking to sign up for community solar subscriptions don't know which projects are currently accepting subscribers. Timely data on community solar projects subscription capacity posted to the program websites in a more accessible way would help customers select a community solar offer.

The "Find a Community Solar" tool on the Illinois Shines website is inaccessible for several reasons. It's an Excel file, meaning those without Excel cannot open the file. This feature on the ILSFA website is a pdf, meaning it's accessible within a browser. The information is not up to date, as it relies on which vendors have actively opted in to this list and been added by the Program Administrator. The file is also organized by Project Name and Location, which is not how most customers learn about the offers. Many Vendors/Designees are working on multiple projects, in multiple locations, but with the same subscription terms across all projects. Even for ILSFA, where customers may have better understanding of community solar project location, the customer may not know the exact address of the project. The offers should be organized according to the company managing subscribers.

Finally, the information is not visually appealing. Having a more visual chart (preferably available in html), similar to the ABP block capacity dashboard, would make this information easier to understand for consumers.

<u>Illinois Solar for All</u>

Slide 24: Low-Income Distributed Generation Sub-Program

ILSFA's Low-Income Distributed Generation (LIDG) subprogram needs significant reform and a structure to facilitate that reform. The LIDG subprogram is flagging, some might even say failing. It is struggling in comparison to other ILSFA subprograms, to Adjustable Block Program residential solar, and to successful low-income rooftop solar programs in other states. The reasons for the failure cannot simply be explained by the inherent challenges of a low income solar program or to the fact that the program is just "getting off the ground."

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 $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. The subprogram has realized just 5% of its potential. Additionally, the LIDG application process now has a reputation for being unworkable, which keeps would-be developers away despite the lack of other solar opportunities in this state.

While our comments below make specific suggestions regarding barriers to the LIDG subprogram, the fact is that the barriers are multiple and, often, highly technical. Such issues are nearly impossible to unpack and solve through the IPA's formal stakeholder comment processes that do not allow for a needed back and forth discussion.

In order to enable the LIDG subprogram to succeed a structure for reform is needed that will not only enable program stakeholders to work through detailed, technical barriers with those running the program, but will do so in a transparent and public enough way to also address reputational issues. To that end, the Illinois Solar for All Working Group urges the IPA to include in its Plan a framework for reform of the Illinois Solar for All program that includes, at minimum:

- Regularly convened working group meetings with stakeholders to facilitate in-depth discussion around individual topics and attempt to address barriers to program success.
- Public reporting on the ILSFA Approved Vendor and project application process alongside goals for that process.

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)[4]. Participants should include the IPA,

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[4] The Solar for all Working Group realizes the SAG is statutorily convened and has a third-party facilitator. We are not saying this is necessary for a stakeholder group, but rather citing the SAG as an example of a venue for highly technical discussion and deliberation relating to program implementation. The IPA already has the authority to convene stakeholder working groups as it has already done with the consumer protection working group.

Elevate, InClime[5], LIDG/ILSFA providers, grassroots educators, and other parties interested in the program's success. Furthermore, while we believe a stakeholder group should focus first and foremost on the LIDG suprogram, 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.

Public reporting/goals - Setting goals and conducting public reporting for the ILSFA LIDG project application process would help to both identify bottlenecks and pain points and assure would-be developers that the program could work for them. Such reporting could be similar in concept (if not depth) to interconnection process reporting in Xcel Energy's territory in Minnesota[6]. Some key metrics to set goals for and track may include: length of various segments of the project application approval process, length of overall application approval process, number of back and forths between program administration staff and developer, common project application pitfalls, and reasons for project failure/withdrawal. The goals for this subprogram should be set via the stakeholder process described above.

The Working Group supports Plan changes to facilitate coordination with energy efficiency. The Working Group supports a consideration of program changes that facilitate coordination between the LIDG subprogram and income-qualified energy efficiency programs. We also recommend the Agency clarify in its Plan that the 50% savings requirement allows for quantifiable energy savings realized from energy efficiency work.

1. What barriers are impeding participation?
    a. Would adjusting REC prices be sufficient, or do other barriers still need to be addressed?

       Response: No. Adjusting the REC prices is critical, but it would not be sufficient - other barriers to LIDG still need to be addressed. That said, after two full years with just one project in Ameren territory, and limited and flagging participation in ComEd territory, the IPA must increase REC prices for this subprogram. We will discuss this further in the third Request for comments.

    b. Given the program's complexity, how can we streamline application requirements while maintaining consumer protections and other baseline heightened participation standards given the more lucrative ILSFA REC prices?

[5] While InClime does not participate in the Illinois Solar for All program, they do administer a similar program - if one with fewer requirements - and they may have helpful insight into technical issues and/or a stake in the topics discussed and solutions put forward when they delve into program requirements shared with the Adjustable Block Program. The Illinois Consumer Protection Working Group, led by InClime, was originally called the Illinois Adjustable Block Program Consumer Protection Working Group, but has expanded its scope to include Illinois Solar for All.

[6] For example: https://www.edockets.state.mn.us/EFiling/edockets/searchDocuments.do?method=showPoup&documentId={70237C79-0000-C112-A2D1-27ECBF84C150}&documentTitle=20215-174234-01

Response: First, to ensure more companies are learning about the program and getting involved, the application to become an Approved Vendor could shift from being a hurdle requiring demonstrable knowledge of the program and existing community engagement efforts to being more focused on having participated in training and information sessions about the ILSFA program and the additional consumer protection requirements.

Second, from the companies' perspective, the project submission process needs to be streamlined. The paperwork required for the LIDG subprogram far exceeds what is required of general market programs. Some of this additional administrative burden is related to consumer protections and is important but could be reduced. In addition, we understand that other submission requirements, such as electrical line drawings, are unique to the ILSFA program and unnecessarily burdensome.[7] The additional steps for project submission create new and unnecessary soft costs.

Third, from the customers' perspective, a cumbersome process is time burdensome and can enhance mistrust. These projects involve multiple visits requiring wet signatures on forms. This is especially challenging for ILSFA, since we are hearing that ILSFA customers have less access to e-signature platforms like Docusign. All forms should be carefully reviewed for redundancy and efforts to eliminate sharing personal information should be prioritized.

c. What soft costs for Approved Vendor/Designees can be reduced, and how?

Response:

Income verification. The program requirements, though well-intentioned to ensure the benefits are going to eligible families, are driving away potential customers and increasing program costs. Household-based third-party qualification, such as IHWAP, LIHEAP, TANF, SNAP, etc., should be sufficient proof of income eligibility. Any customer who has qualified for an approved low-income program within the last 12 months should qualify for ILSFA. In this scenario, where customers have a route for eligibility via household-based third-party qualification, the separate ILSFA income qualification form requiring names and incomes of household members is redundant and likely to deter customers.

While we do not have complete consensus on this topic, some Working Group members urge that this form serve as an income affidavit for those without third-party qualification thereby avoiding the need for collection of sensitive information that might contain social security numbers. Avoiding sensitive information protects customers and

[7] Line drawings might no longer be required - this illustrative example is based on anecdotes from prior program years. The Working Group does not have the technical project development expertise to know where these unnecessary burdens lie, only that they exist. Further evidence for the need to create a robust stakeholder engagement process to catalyze granular program reform.

gives them confidence in the program, thereby reducing customer attrition and lowering customer acquisition costs.

In any event, we recommend that the current 6 month validity for income verification be extended to 12 months.

Customer acquisition costs. We have heard from Approved Vendors that finding a qualifying LIDG customer is like finding a needle in a haystack. The Agency and the ILSFA Program Administrator are missing an opportunity to build a steady pipeline of potential LIDG customers via creation of an onboarding platform whereby customers can learn about ILSFA options and connect to Approved Vendors that match their interest. With this system in place, the Program Administrator and grassroots educators can direct customers of the Illinois Home Weatherization Assistance Program (IHWAP) or Chicago's Roof and Porch Repair Program to ILSFA. Individual ILSFA Approved Vendors cannot make these programmatic connections - this is best facilitated by the Program Administrator via a comprehensive onboarding platform. The customer referral process recently explored by the ILSFA

d. What are the challenges related to marketing to and identifying customers?

Response:

1) Grassroots Education Organizations. Grassroots education organizations have experienced difficulty connecting customers with Approved Vendors due to the lack of Solar for All options in their various territories. Raising the REC prices and lowering administrative burdens should increase DG options and allow grassroots educators to successfully do their work.

2) **Skepticism of private companies**. Approved Vendors, as for-profit companies, have difficulty connecting with customers and dispelling skepticism. The program seems "too good to be true" and customers assume there will be a catch. Creating certifications that could support Approved Vendors in demonstrating that this is a state-supported program would help. Instructing the Program Administrator to operate a hotline that answers customer questions might also reduce suspicion. Traditional marketing of the program could also dispel skepticism - similar to how utilities sometimes market their programs. Lastly, the Program Administrator could take on more of the customer acquisition processes by creating and managing a comprehensive customer onboarding portal.

3) **Restrictive marketing and customer engagement guidelines**. The program has shown a tendency to crack down on companies that advertise their ILSFA LIDG offers when they deviate from the guidance on allowable marketing statements. For example, the Working Group has heard reports of companies being reprimanded for advertising their offer as "free" on the grounds that this might lead a customer to believe their energy

bill will be completely eliminated. While we appreciate the program's dedication to customer protection, this type of customer protection might be unintentionally resulting in customer prevention.

4) **Lack of awareness of ILSFA**. The single most effective way to increase awareness is to increase the number of projects in a community. This is another reason why we need to take urgent action - such as increasing the REC prices and reducing the administrative burdens - to increase LIDG participation and kickstart the "seeding" effect that will spark additional program growth.

e. How does not allowing for upfront payments from customers impact the customer acquisition process, either positively or negatively?

f. How can we increase Approved Vendor participation outside of the Chicago area?

Response: The most important way to increase Approved Vendor participation outside of the Chicago area is to address the foundational issues inhibiting LIDG participation throughout the state. Additional tailored solutions could include:

- Increase all LIDG REC prices, but increase the Group A REC price higher than the Group B REC price.
- Outreach to ABP Small DG Approved Vendors and Designees operating in Group A territory. Both the ILSFA Program Administrator and the ABP Program Administrator should help them better understand the ILSFA LIDG subprogram and the business opportunities it can provide.
- Ease the burdens currently associated with applying to the program.

Slide 25: Non-Profit/Public Facilities Sub-Program

2. Several projects have been structured as PPAs with an ownership buyout option after six years. How should Approved Vendor obligations for projects (e.g., ongoing O&M) carryover when system ownership changes?

   Response: The Working Group believes that innovative ownership and financing models should be permissible and, in cases where an ownership swap or buyout results in greater savings for the customers, incentivised and encouraged. This will require taking a closer look at ongoing O&M costs and REC reporting responsibilities.

   The specific question posed here is challenging because it depends on so many different variables. While the Working Group might feel as though the costs and benefits pencil in the customer's favor when the ownership is transitioned after six years, we would feel differently about a transition after fourteen years. Ultimately, providing clear, consistent, and accessible information to the customer is going to be critically important. This clarity regarding buyout provisions and ongoing obligations allows them to make an informed choice.

3. Current REC prices are based on adjustment from Adjustable Block Program REC prices to assume projects do not receive the Federal Investment Tax Credit. Is there a better approach to calibrating REC prices for Non-profit/Public Facility projects?

4. Projects are required to be a) in a low-income or environmental justice community and b) associated with a critical service provider. Can these requirements be refined to better ensure that projects serve and benefit low-income Illinois residents?

Slides 26/27: Low-Income Community Solar Sub-Program

5. What challenges have initially been observed related to recruitment of low-income Subscribers?

   Response: Recruitment of low income subscribers has numerous challenges, including but not limited to the confusing nature of the transaction for low income households, a lack of trust in energy programs, difficult to comprehend forms, and a great reluctance to take on another bill, regardless of promised savings. The LTRRPP update should commit to addressing these issues, directing the ILSFA program administrator to undergo a stakeholder process to evaluate the current disclosure form and income verification forms and identify specific ways to streamline the process and make it more comprehensible. While stakeholders have specific ideas, this is a complicated topic and an in-depth stakeholder process - as discussed in the above section around a framework for program reform - would be the best way to update the current system.

   Examples of the current processes that should be evaluated and reformed:
   - The income verification form requires all participants to fill out a detailed disclosure for their entire household. This can be complicated for families with fluid situations, with family members displaced and staying with them for irregular periods of time. For participants who have a valid approval from similar programs such as LIHEAP or Medicaid, proof of valid enrollment in these programs should be sufficient. These programs go through an extensive process of income verification, and instead of duplicating this effort, participants should only be required to show current enrollment in these programs.
   - Verification at the utility meter number should be allowed as well as at the household level. Some programs such as LIHEAP have eligibility determined for a utility account number as the household. Participation in LIHEAP should be sufficient verification for the entire account number/household without the duplicated and complicated effort of filling out the ILSFA income verification form.

   The Working Group also urges the Plan to include additional emphasis on or pathways towards:
   - Consolidated community solar billing

- Prioritizing projects that offer free subscriptions in project selection processes

6. Have you observed market confusion with community-solar projects participating in the Adjustable Block Program? If so, how?

   Response: No, we have not seen confusion to our knowledge, though the Agency should specifically check in with the grassroots educators on this point. In general, the more awareness there is of community solar overall, the better. By working with trusted local organizations, it is possible to make sure income-eligible residents understand that the ILSFA projects are the best option for them.

7. What changes in approach, if any, should the program consider making to encourage smaller community solar projects (e.g., under 1 MW)?

   Response: No additional changes to the program or project selection criteria should be implemented to encourage smaller projects. Changing the project selection criteria significantly to prioritize smaller projects could undermine other priorities such as geographic diversity. Recent changes to the project selection criteria have given priority to geographic diversity, specifically supporting development in Cook County, as well as prioritizing sites owned by non-profit and public sector entities. If the points awarded for small projects are greatly increased, the projects that are incentivized are unlikely to be from urban areas such as Cook County, but instead rural and smaller cities where land development is less complicated. Overvaluing the small project selection criteria could result in undervaluing other goals.

8. Is the model of 100% low-income subscriber owned community solar projects viable? If so, what adjustments could be made to increase applications from such projects?

   Response: The Working Group does not have consensus on this topic. Some Working Group members question the complexity of 100% subscriber owned community solar projects and doubt whether communities truly desire the challenges that come with ownership. At the same time encouraging subscriber-owned projects, energy sovereignty, and energy democracy is a core goal of many Working Group members and there are good examples of community-owned projects in other states.

Slide 28: Additional Sub-Programs

9. The IPA Act allows stakeholders to propose additional sub-programs. Should this be an opportunity to test/pilot additional program approaches to support solar for low-income customers? If so, and keeping in mind that REC delivery contracts offering payment for

renewable energy credit production are the only available tool for meeting those ends, what pilot or additional programs should be introduced, and to serve what specific policy objectives?

Response: The Working Group recommends using the flexibility provided in statute to split the LIDG program into two different subprograms: one for 1-4 unit residential buildings and one for 4+ unit residential buildings. These projects are distinct in many ways and it has proven challenging to advocate for program adjustments that are tailored to promoting single family homes knowing that changes to this program might also have ripples on larger multi-family projects. While both types of projects have barriers, separating them will allow more targeted reform and will help preserve funding for 1-4 unit residential projects.

Slide 29: Project Selection Process

10. What additional measures could potentially be included in project selection to encourage participation by MWBE (minority/woman-owned business enterprises) Approved Vendors, non-Approved Vendor contractors and subcontractors, and other MWBE entities?

    Response: Please see the Working Group's responses to request for comments on Workshop #1.

    In addition to the comments we submitted following Workshop #1, the Working Group notes a couple of reasons that could explain why MWBE uptake was not especially robust in Program Year 3:

    - The final project selection criteria with the requirements for the MWBE points was released on June 12, 2021, which was 35 days before the deadline for Non-Profit/Public Sector project submissions, and less than 3 months before the deadline for the community solar project submissions.
    - Particularly for Community Solar, because of the lax requirements around interconnection agreements, many submissions in the program are "recycled" projects that are left over from the initial ABP program. Developers often put together last-minute submissions and were not sufficiently engaged to do the work of developing a business relationship with an MWBE sub-contractor for the program.

11. The Project Selection Protocol this year includes points for geographic regions. Are there further refinements that could be made to encourage statewide geographic diversity of Projects?

    Response: The Geographic diversity system for awarded points that was implemented in Program Year 4 should be left in place for the next two program years covered by this LTRRPP.

    The Project Selection Protocol for Program Year 4 that instituted the new geographic point system was released on March 23, 2021. This was less than 3 months before the application window closed for the Non-Profit/Public Sector sub-program, and less than 6 months before the application window closed for the Community Solar sub-program. Given the time it takes to develop these projects, there was no practical way that any developer could respond to these geographic priorities.

If the draft LTRRPP document indicates that there are likely to be changes to the geographic diversity component for Program Year 5, developers will once again be left to guess at what the priorities will be.

12. What other criteria should be considered in the Project Selection Protocol Process, and what other policy objectives merit consideration?

    Response: Over the course of four Program Years, the Project Selection Protocol has evolved into a thoughtful approach that prioritizes projects that meet the key goals of the ILSFA program. However, in all 4 program years to date, the updated document has come out far too late for developers to respond to that year's changes. For this LTRRPP update, the IPA should give the current approach the time necessary to have an impact.

    Consequently and as noted in our 2021 Comments on Proposed Project Selection Protocol, we ask that the LTRRPP be amended such that selection protocols are required to be finalized at least 12 months prior to the program year start, that any changes to the protocols resulting from changes to the LTRRPP not take effect for at least 12 months (i.e., until PY6), and that the PY4 project selection protocol guidance be accepted as the final protocols for PY5.

Slide 30: Job Training Requirements

13. What challenges have Approved Vendors found in meeting the Job Training requirements?

14. What clarifications or refinements to the requirements should be considered?

15. How can the Illinois Solar for All Program better coordinate with job training programs?

Slide 31: Grassroots Education

16. How can we increase Illinois Solar for All customer participation stemming from grassroots education efforts?

    Response: The best way to increase customer participation is to increase AV participation in this subprogram by decreasing administrative burden and increasing the REC prices. Grassroots educators need real options to educate and inform communities about.

17. What adjustments could be considered to allow for smoother coordination efforts between grassroots education and Approved Vendors that don't compromise the educational goals of the program (e.g., ensuring competitive neutrality by grassroots educators not marketing offers from specific Approved Vendors)?

    Response: Refine the AV list so that grassroots educators can limit the number of AVs that need to be included in events and other community outreach. Grassroots educators could then limit AV inclusion to those with standard offers and/or projects built or submitted.