ILLINOIS POWER AGENCY

Illinois Power Agency Power Hour Webinar 3

CEJA's Impact on Illinois Solar for All

Agenda

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- Introduction and Scope of the IPA Power Hour Webinars
- ILSFA Under FEJA (Public Act 99-0906)
- Successes and Challenges to Date
- Key Changes to ILSFA Under CEJA (Public Act 102-0662)
- New Requirements
- Q&A
- Closing

IPA Power Hour Webinars

IPA Power Hour Webinars

- Introduction and Scope
- Power Hour is a newly launched series of educational and informative presentations on a wide range of clean energy topics and emerging issues
- Today's Power Hour:
  - We'll provide an overview of the Illinois Solar for All Program, discuss success and challenges of the Program to date and how the recently enacted Climate and Equitable Jobs Act (Public Act 102-0662) impacts the Program moving forward
- IPA Power Hour Webinars will cover other topical areas impacted by Public Act 102-0662

IPA Power Hour Webinars

- **Introduction and Scope**
  - We will not cover items from P.A. 102-0662 related to:
    - Stakeholder feedback processes related to the Adjustable Block Program opening and the Revised Long-Term Plan development
    - Specific program or procurement requirements
    - Issues outside the purview of the IPA such as:
      - Changes to ratemaking
      - Changes to net metering
      - Grant programs established and administered by the Department of Commerce and Economic Opportunity
      - Clean energy workforce hubs
      - Electric vehicle and transportation incentives

IPA Power Hour Webinars

- Upcoming Webinars
  - **IPA Power Hour Webinar 4**: *CEJA's Impact on Utility-Scale Solar and Wind and Brownfield sites,* Friday, November 19, 2021;12pm-1pm CDT
  - **IPA Power Hour Webinar 5**: *Creating a Diverse and Equitable Energy Workforce,* Friday, December 3, 2021; 12pm-1pm CDT
  - **IPA Power Hour Webinar 6**: *Decarbonization, from Coal to Renewables,* Friday, December 10, 2021; 12pm-1pm CDT
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The Illinois Power Agency

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- Independent State Agency created in 2007
- Agency duties include
  - Development and implementation of procurement plans for electricity supply for default service customers
  - Development and implementation of other procurement plans such as those to support at-risk nuclear plants (e.g., for Zero Emissions Credits and Carbon Mitigation Credits)
  - Implementation of the Renewable Portfolio Standard
    - Development of Long-Term Renewable Resources Procurement Plan
    - Conduct competitive procurements for utility-scale projects
    - Manage programs for community solar and solar for homes and businesses

ILSFA Under FEJA (Public Act 99-0906)

ILSFA Overview

What is Illinois Solar for All?

Illinois Solar for All (ILSFA), an Illinois Power Agency incentive program designed to bring the benefits of solar energy in communities across Illinois. ILSFA increases participation in solar energy projects serving low-income and environmental justice communities. Incentives are made available for residential properties, properties that house non-profits and public facilities, and community solar projects serving customers with low incomes.

ILSFA Overview

Four Sub-programs under FEJA

Distributed Generation

- $7.5 million per program year
- Costs and fees won't exceed 50% of value of electricity produced
- No upfront cost to participants

Non-Profit/ Public Facilities

- $5 million per program year
- Non-profit or public sector facilities serving and located in low-income or EJ communities
- Costs and fees won't exceed 50% of value of electricity produced
- No upfront cost to participants

Community Solar

- $12.5 million per program year
- Low-income residents can subscribe
- Costs and fees won't exceed 50% of value of electricity produced
- No upfront cost to subscribers

Community Solar Pilots

- $5 million per program year
- Funding low-income community solar pilot projects
- Competitive procurement

ILSFA Overview

Participation

- Illinois Solar for All require program participants to participate in the ILSFA through program Approved Vendors. Approved vendors handle almost all aspects of solar installation for Illinois solar for all projects. They ensure program requirements are met by:
  - Providing minimum customer savings
  - Community engagement
  - Ensuring consumer protections guidelines are met
  - Performing income verification
- Potential Approved Vendors must first qualify as Approved Vendors under the Adjustable Block Program.
- Approved Vendors submit projects in batches during program year project submission windows or during rolling submission windows, if applicable.
  - Once projects are approved by the Program Administrator and the ICC, 15-year REC delivery contracts are executed between the Approved Vendor and either an electric utility or the IPA as counterparty.

Consumer Protections

Projects developed by vetted Approved Vendors

Projects must include warranties and guarantees of workmanship

Cost and savings requirements

Financial protections

Standard Disclosure Forms

Marketing requirements

Job Training

Approved Vendors are required to hire job trainees from eligible job training programs:

- FEJA Workforce Development Programs
- Other Qualifying Programs

Portfolio Requirements

Approved Vendor Program Year	Cumulative Job Training Requirement
1	10% of all hours are performed by eligible trainees
2	20% of all hours are performed by eligible trainees
3 and beyond	33% of all hours are performed by eligible trainees

LIDG Requirements

- 33% of all installations across an AV's one- to four-unit and five or more-unit DG projects annually include at least one eligible trainee.
- No minimum hours per project or cumulative total hours are prescribed for this requirement, only that a requisite percentage of projects utilize at least one eligible trainee.
- AVs with LIDG projects in addition to projects in other sub-programs must also fulfill the Portfolio Requirements.

Funding

- Two funding sources for program funding:
  - Renewable Energy Resources Fund (RERF)
    - Funded by Alternative Retail Energy Suppliers through alternative compliance payments.
  - Utility-held funds
    - The utility-held Renewable Portfolio Standard funds were collected from ratepayers through dedicated bill riders for funding renewable energy resources.

Funding

Program Year	Funding Source	DG	CS	NP/PF	CS Pilot
2018-2019	RERF	$4,500,000	$7,500,000	$3,000,000	$20,000,000
	Utility	$3,000,000	$5,000,000	$2,000,000	$0
	Total	$7,500,000	$12,500,000	$5,000,000	$20,000,000
2019-2020	RERF	$4,500,000	$7,500,000	$3,000,000	$0
	Utility	$3,518,697	$5,864,494	$2,345,798	$0
	Total	$8,018,697	$13,364,494	$5,345,798	$0
2020-2021	RERF	$4,950,000	$8,250,000	$3,300,000	$0
	Utility	$3,418,081	$5,696,802	$2,278,721	$0
	Total	$8,368,081	$13,946,802	$5,578,721	$0
2021-2022	RERF	$4,950,000	$8,250,000	$3,300,000	$0
	Utility	$3,384,018	$5,640,031	$2,256,012	$0
	Total	$8,334,018	$13,890,031	$5,556,012	$0

Grassroots Education

- ILSFA grassroots educators are contracted local organizations who are trusted members of their communities that educate their community members on the basics of solar and the program's benefits and eligibility requirements.

- Currently Illinois Solar for All has 12 grassroots education campaigns. Activities include:
  - Public events (mostly virtual)
  - One-on-one Conversations with key community figures
  - Individual guidance of potential participants
  - Canvassing distribution of flyers
  - Phone banking
  - Mailers
- Directory and map of ILSFA grassroots education organizations available on the ILSFA website

Environmental Justice

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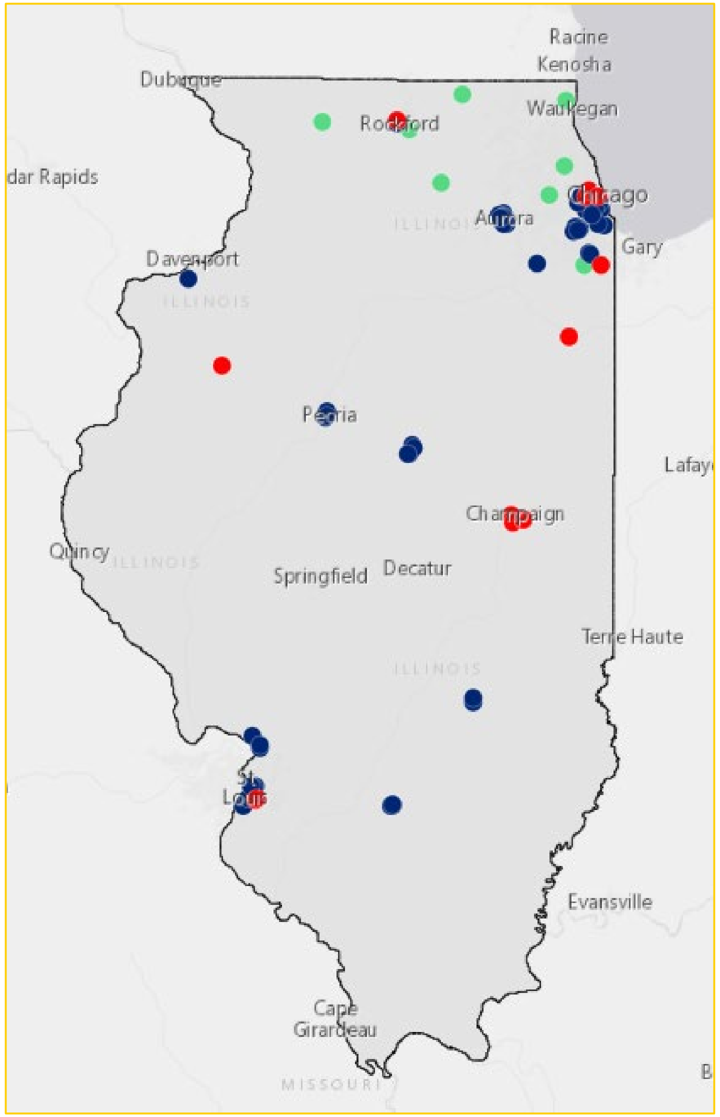
- Environmental justice (EJ) communities demonstrate a higher risk of exposure to pollution based on environmental and socioeconomic factors
- Goal of at least 25% of program funds allocated to projects in EJ communities
- Up to 60% of available grassroots education funding will be awarded to Grassroots Education proposals targeting EJ communities
- 2,422 of 9,683 census block groups in Illinois were designated EJs based on localized environmental and socioeconomic factors
- Represents appx. 3.1 million people or 1.2 million households
- Option for communities to pursue "self-designation"

Successes and Challenges to Date

Program Impact

- In the first three program years, ILSFA allocated over $56 million in incentives for 130 projects serving low-income residents and qualifying non-profits and public facilities, with a combined nameplate capacity of 22,197 kW AC of solar energy in Illinois.
- Of the $56 million in incentives approved for ILSFA projects in PY1, PY2, and PY3 over 71% [$39.8 million] of these funds went to projects in Environmental Justice Communities, and over 98% [$54.9 million] went to projects in Low-Income Communities



Program Challenges

- Lower participation for the Low-Income Distributed Generation sub-program of ILSFA

Program Year	Budget	Number of Approved Projects	Incentive Value of Approved Projects
PY19	$6,946,634	0	$0
PY20	$13,799,691	10 SF, 1 5+	$4,144,688
PY21	$16,852,835	53 SF, 9 5+	$1,324,382
PY22 to-date	$22,557,824	9 SF, 1 5+	$174,764

- Steps to improve LIDG participation:
  - Referral process to connect interested participants with AVs
  - Income verification by the Program Administrator
  - Grassroots educator support of participants

Program Challenges

- Vendor Challenges
  - Batch size requirements
  - Incentives are paid on completion of projects
  - Consumer uncertainty about new idea in the market
  - High customer acquisition costs
  - REC prices too low

- ILSFA Program Evaluation Webinar

  Monday, Nov. 15 from 1:00p.m.-2:30p.m. CST

  An independent third party will share the findings of the ILSFA Phase II Final Evaluation Report which covers the program's first three years of implementation.

  LINK: https://www2.illinois.gov/sites/ipa/Pages/Events.aspx

  (Under "About Us" on the IPA homepage)

Key Changes to ILSFA Under CEJA (Public Act 102-0662)

P.A. 102-0662 High Level Changes

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- Increase in Funding
  - Illinois Solar for All funded by both the Renewable Energy Resources Fund ("RERF") and utility-funding
  - Utility contributions grow from approximately $11 million/year to $50 million per year
    - Will help offset when RERF funding is fully allocated in a few years
- Focus changes
  - Broadening participation
  - Energy sovereignty
  - Coordination with other programs
- Sub-Program Changes
  - Separate multi-family program
  - Changes in funding allocations
  - End of low-income community solar pilot procurement

Focus: Broadening Participation

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- ***The Agency shall strive to ensure that renewable energy credits procured through the Illinois Solar for All Program and each of its subprograms 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.***

Focus: Broadening Participation

- **Small and Emerging Businesses**
  - ***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 subprograms and administrator-identified customers or grassroots education provider-identified customers, and different incentive levels.***

- **Reporting**
  - ***The Agency shall report on progress and barriers to participation of small and emerging businesses in the Illinois Solar for All Program at least once a year. The report shall be made available on the Agency's website and, in years when the Agency is updating its long-term renewable resources procurement plan, included in that Plan.***

Focus: Energy Sovereignty

- A portion of each sub-program reserved 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, community cooperatives, 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 energy bill savings.*
- Similar language for each sub-program
- Potential for higher REC prices

Focus: Coordination between Programs

- ***The Agency shall make every effort to enable solar providers already participating in the Adjustable Block-Program under subparagraph (K) of paragraph (1) of subsection (c) of Section 1-75 of this Act, and particularly solar providers developing projects under item (i) of subparagraph (K) of paragraph (1) of subsection (c) of Section 1-75 of this Act to easily participate in the Low-Income Distributed Generation Incentive program described under this subparagraph (A), and vice versa.***

Funding Allocation Changes

- Prior Allocation
  - 22.5% Distributed generation (residential)
  - 37.5% Low-income community solar
  - 15% Non-profit/public facilities
  - 25% Low-income community solar pilot procurement
    - 1 procurement event held, $20 million allocated.
- New Allocation
  - 35% Residential
    - 1-4 Unit
    - 5+ unit
  - 40% Low-income community solar
  - 25% Non-profit/public facilities
  - Funding removed for pilot procurement
    - Frees up $17.5 million from RERF

New Requirements

Job Training

- **New Provision to expand job training requirements**
  - ***Companies participating in this program that develop or install solar projects shall commit to hiring job trainees for a portion of their low-income installations, and an administrator shall facilitate partnering the companies that install solar projects with entities that provide solar installation and related job training.***
  - **Previously only a specific requirement for the DG sub-program**

New Multifamily Sub-Program

- Multifamily now a separate sub-program
  - Previously different REC prices for 1-4 units and 5+ units and certain considerations for income verification and tangible economic benefits for larger buildings

Potential for Additional Programs

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- **Parties may propose additional programs through the Long-Term Plan development process**
  - ***Additional programs may target market segments not specified above and may also include incentives targeted to increase the uptake of nonphotovoltaic technologies by low-income customers, including energy storage paired with photovoltaics, if the Commission determines that the Illinois Solar for All Program would provide greater benefits to the public health and well-being of low-income residents through also supporting that additional program versus supporting programs already authorized.***

Program Refinements

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- Clearer language regarding funding for program administrator to support income verification and facilitating customer participation
- Grassroots education
  - *The Agency shall direct that up to 5% of the funds available under the Illinois Solar for All Program to community-based groups and other qualifying organizations 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. Grassroots education 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.*
- Considerations around program administration

Job Training

- **Administration of job training funding shifting from ComEd to DCEO**
- **Facilitating Placement**
  - ***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.***
- **Development of Clearinghouse**
  - ***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. The program administrator shall also coordinate its activities with entities implementing electric and natural gas income-qualified energy efficiency programs, including customer referrals to and from such programs, and connect prospective low-income solar customers with any existing deferred maintenance programs where applicable***

Coordination with Other Programs

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- **Long-Term Plan will include plans for**
  - ***(A) actions to refer customers from the Illinois Solar for All Program to electric and natural gas income-qualified energy efficiency programs, and vice versa, with the goal of increasing participation in both of these programs;***
  - ***(B) effective procedures for data sharing, as needed, to effectuate referrals between the Illinois Solar for All Program and both electric and natural gas income-qualified energy efficiency programs, including sharing customer information directly with the utilities, as needed and appropriate; and***
  - ***(C) efforts to identify any existing deferred maintenance programs for which prospective Solar for All Program customers may be eligible and connect prospective customers for whom deferred maintenance is or may be a barrier to solar installation to those programs.***
- **Potential coordination with the newly established Climate Bank and the Clean Energy Jobs and Justice Fund for needs that can't be addressed through the structure of the Illinois Solar for All Program**

Environmental Justice Communities

- **Codification of the current environmental justice community approach**
  - ***For the purposes of this subsection (b), the Agency shall define "environmental justice community" based on the methodologies and findings established by the Agency and the Administrator for the Illinois Solar for All Program in its initial long-term renewable resources procurement plan and as updated by the Agency and the Administrator for the Illinois Solar for All Program as part of the long-term renewable resources procurement plan update***

Upcoming Stakeholder Events

- **ILSFA Program Evaluation webinar on November 15**
- **Long-Term Plan Development Stakeholder Feedback workshops on November 18**
  - **Written requests for feedback will be issued later today**
- **Upcoming Power Hours**
  - **IPA Power Hour Webinar 4**: *CEJA's Impact on Utility-Scale Solar and Wind and Brownfield sites,* Friday, November 19, 2021;12pm-1pm CDT
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- **For registration and recordings of upcoming webinars and workshops:**

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(Under "About Us" on the IPA homepage)

Questions & Answers

For Questions:

Contact the ILSFA Program Administrator at

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