



Illinois Power Agency Power Hour Webinar 5

Creating a Diverse and Equitable Energy Workforce

Agenda

- **Introduction and Scope of the IPA Power Hour Webinars**
- **IPA's Commitment to Diversity and Equity**
- **Diversity and Equity Prior to CEJA**
- **CEJA's Focus on Diversity and Equity**
- **Equity Accountability System**
- **Racial Disparity Study**

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 discuss how the recently enacted Climate Equitable Jobs Act (Public Act 102-0662) strengthens equity and diversity requirements for IPA-administered incentive programs and procurements
- **Past and future IPA Power Hour Webinars will cover other topical areas impacted by Public Act 102-0662**

- **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
 - Electric vehicle and transportation incentives
 - Will only briefly discuss programs administered by the Department of Commerce and Economic Opportunity

- **Completed Webinars**

- IPA Power Hour Webinar 1: Expansion of the Illinois RPS Under CEJA
- IPA Power Hour Webinar 2: CEJA's Impact on Adjustable Block Program
- IPA Power Hour Webinar 3: CEJA's Impact on Illinois Solar for All
- IPA Power Hour Webinar 4: CEJA's Impact on Utility-Scale Solar and Wind and Brownfield sites

- **Upcoming Webinars**

- IPA Power Hour Webinar 6: *Decarbonization, from Coal to Renewables*, Friday, December 10, 2021; 12pm-1pm CDT
- IPA Power Hour Webinar 7: *Carbon Mitigation Credits and CEJA's Support for At-Risk Nuclear Plants*, Friday, December 17, 2021; 12pm-1pm CDT

- **Recordings of Power Hours and registration links available at:**

- <https://www2.illinois.gov/sites/ipa/Pages/Events.aspx>

- **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

IPA's Commitment to Diversity and Equity

- **Recently hired a Diversity, Equity, and Inclusion Manager, Sharon A. Johnson**

- **Updated Mission Statement:**

The IPA is committed to the planning and procurement of reliable, efficient, and cost-effective electricity for residents and businesses in an ethical and objective manner, insulated from improper influence. The IPA also administers incentive programs and procurements to promote renewable and zero-carbon energy generation, while building an equitable clean energy future for all Illinoisans.

- **Ongoing efforts include**

- **Developing, adopting, and implementing internal DEI statements and policies**
- **Implementation of new CEJA provisions**

Diversity and Equity Prior to CEJA

Prior to CEJA: Narrow Workforce Focus



- **Future Energy Jobs Act established the Adjustable Block Program and the Illinois Solar for All Program, as well as several job training programs (solar training pipeline program, craft apprenticeship program, multi-cultural jobs program)**
- **Adjustable Block Program**
 - **Smaller initial batch size requirement for MWBE Approved Vendors**
 - **No workforce related provisions**
- **Illinois Solar for All Program**
 - **Requirements for utilization of graduates of job training programs**
 - **Project Selection included points for MWBE Approved Vendors**
 - Starting in the 2020-2021 Program Year project selection expanded to also include points for commitments to utilize MWBE contractors for at least 50% of REC contract value
 - Project Selection protocol only used to select low-income community solar projects and projects for non-profits/public facilities

Solar for All Job Training Requirements



- **Approved Vendors 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

- **Low-Income DG (e.g., residential projects) 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.**

CEJA's Focus on Diversity and Equity

- **Programs administered by the Department of Commerce and Economic Opportunity**
 - Supplement existing job training programs established in FEJA
 - Create wide range of opportunities for individuals, companies, and communities
- **Changes to IPA programs and procurements**
 - New and increased requirements related to utilization of equity eligible contractors and individuals
 - The Long-Term Renewable Resources Procurement Plan will provide details on implementation of most aspects
 - Draft Plan to be released on January 13, 2022
 - Plan expected to be approved by the Illinois Commerce Commission in July of 2022

- **New programs administered by the Department of Commerce and Economic Opportunity**
 - **Clean Jobs Workforce Network Program**
 - 13 Clean Jobs Hub sites to offer training and related developmental programs
 - **Energy Transition Barrier Reduction Program**
 - Provides supportive and financial assistance to participants in workforce and pre-apprenticeship programs
 - **Energy Transition Navigators**
 - Provides education, outreach and recruitments opportunities
 - **Climate Works Preapprenticeship Program**
 - 3 Climate Works Hubs will provide pre-apprenticeship recruitment and training
 - **Clean Energy Contractor Incubator Program**
 - Low-cost capital and financial support for small clean energy businesses
 - **Returning Residents Clean Jobs Training Program**
 - Training for currently incarcerated individuals to provide support
 - **Clean Energy Primes Contractor Accelerator Program**
 - Mentoring and support through regional cohorts
 - **Energy Transition Workforce Commission**
 - Reviews impact of programs and provides recommendations on changes to program
 - **Energy Transition Community Grants**
 - Economic development grants for communities with power plants or mines that close

Impact on IPA Programs and Procurements



- *All programs and procurements under this subsection (c) shall be designed to encourage participating projects to use a diverse and equitable workforce and a diverse set of contractors, including minority-owned businesses, disadvantaged businesses, trade unions, graduates of any workforce training programs administered under this Act, and small businesses*
- **Specific provisions included for**
 - **Illinois Solar for All Program**
 - **Adjustable Block Program**
 - **Coal to Solar Procurement**
- **Equity Accountability System ties these principles together and Racial Disparity Study provides framework for future improvements**

Key Equity Eligibility Concepts

- **Equity Eligible Persons**

- **“persons who would most benefit from equitable investments by the State designed to combat discrimination”**
 - Graduates of various job training programs
 - Were in the foster care system
 - Formerly incarcerated
 - Live in an equity eligible investment community

- **Equity Eligible Investment Community**

- **Areas that “would most benefit from equitable investments by the State designed to combat discrimination”**
 - R3 areas (from Cannabis Regulation and Tax Act) Map: <https://r3.illinois.gov/eligibility>
 - Environmental Justice Communities (as developed for Illinois Solar for All) Map: <https://www.illinoissfa.com/environmental-justice-communities/>

- **Equity Eligible Contractor**

- **“a business that is majority-owned by eligible persons, or a nonprofit or cooperative that is majority-governed by eligible persons, or is a natural person that is an eligible person offering personal services as an independent contractor.”**

Changes to Illinois Solar for All

- **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*
- **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**
- **More active role for the Program Administrator in facilitating placement of graduates of job training programs**

Changes to the Adjustable Block Program



- **Community-Driven Community Solar**
 - Project selection includes consideration of projects that provide “complementary opportunities” for several of the job training programs administered by DCEO
- **New Category for projects from Equity Eligible Contractors**
 - Includes the option for the advance of capital “designed to overcome barriers in access to capital faced by equity eligible contractors.”
 - Initially 10% of program capacity, grows to 40% over time
- **Prevailing wage requirements**
- **Requirements related to the Equity Accountability System**

Coal to Solar Procurement

- Two procurements to be conducted in 2022 for projects located at the sites of former coal plants. Tied to funding for large-scale energy storage systems
 - *The applicant commits that if selected, it will negotiate a project labor agreement for the construction of the new renewable energy facility and associated energy storage facility that includes provisions requiring the parties to the agreement to work together to establish diversity threshold requirements and to ensure best efforts to meet diversity targets, improve diversity at the applicable job site, create diverse apprenticeship opportunities, and create opportunities to employ former coal-fired power plant workers.*

- **Each applicant files with the ICC:**
 - *a diversity, equity, and inclusion plan setting forth the applicant's or owner's numeric goals for the diversity composition of its supplier entities for the new renewable energy facility or new energy storage facility, [...] and the applicant's or owner's action plan and schedule for achieving those goals.*
 - **Diversity composition 25% of eligible expenditures for materials and services**
 - For: “business enterprises owned by minority persons, women, or persons with disabilities as defined in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, to LGBTQ business enterprises, to veteran-owned business enterprises, and to business enterprises located in environmental justice communities.”

Equity Accountability System

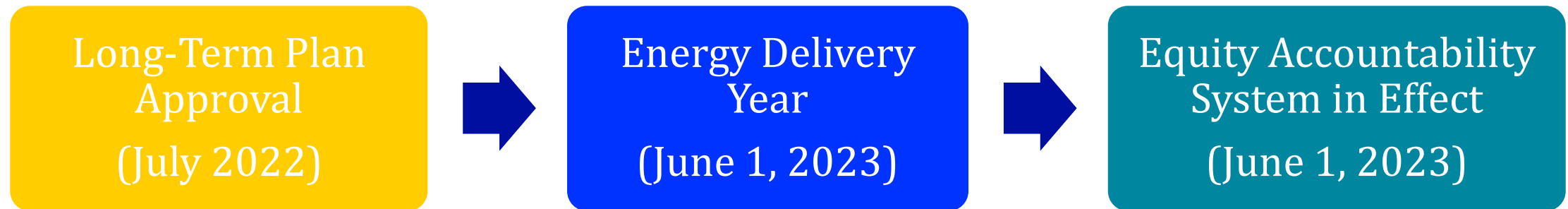
What is the purpose?

Section 1-75 (c-10) of the IPA Act

Create an accountability system, which includes the minimum equity standards for all renewable energy procurements, the equity category of the Adjustable Block Program, and the equity prioritization for noncompetitive procurements, that is successful in advancing priority access to the clean energy economy for businesses and workers from communities that have been excluded from economic opportunities in the energy sector, have been subject to disproportionate levels of pollution, and have disproportionately experienced negative public health outcomes.

- Ensure that this system is successful in advancing equity across Illinois by providing access to the clean energy economy for businesses and workers from communities that have been historically excluded from economic opportunities in the energy sector, have been subject to disproportionate levels of pollution, and have disproportionately experienced negative public health outcomes.*

When will the System Take Effect?



- Listed are a few benchmarks that will be used to determine equitable performance on projects and hold entities responsible for elevating equitable practices.
- A few of the system's features will include:
 - System Standards
 - Entity Compliance Plan
 - Submittal and Reporting Process
 - Review of plans
 - Enforcement of standards / Good Faith Efforts / Waivers
 - Agency reporting of data and frequency
 - Training, guidance, and support
 - Modifications to system

- **This will include the minimum equity standards for all renewable energy procurements. Included are:**
 - **Adjustable Block Program – solar incentive program to facilitate the development of distributed generation and community solar projects**
 - **Competitive Procurements - the process that ensures a competitive procurement procedure to develop bid application requirements and bid evaluation methodology to guarantee the utilization of equity eligible contractors**
- **This will increase access for Equity Eligible Persons and Contractors across programs.**

Entity Compliance Plan

- **Key indicators for implementation:**
 - Requirements
 - Submittal and reporting process
 - Waivers
 - Review of plans
 - Enforcement of standards
- **Businesses will need to confirm they will achieve compliance in that delivery year, when applicable. The Agency may offer corrective action plans to entities that are not on track to achieve compliance.**
- **IPA will prohibit participation in procurement programs by an approved vendor or designee, if an approved vendor or designee, fails to meet the minimum equity standards for the prior delivery year. Waivers approved for lack of equity eligible persons or equity eligible contractors in a geographic area of a project shall not count against the approved vendor or designee.**

Equity Accountability Requirements



- At least 10% of the project workforce for each entity must be completed by equity eligible persons or equity eligible contractors. The Agency will increase the minimum percentage each delivery year thereafter by increments that ensure a statewide average of 30% of the project workforce for each entity participating in a procurement program is done by equity eligible persons or equity eligible contractors by 2030.
- IPA will have the discretion to establish different minimum equity standards for different types of procurements and different regions of the State if the Agency finds that doing so will further the purposes of the equitable accountability system.
- The proposed schedule of annual increases shall be revisited and updated on an annual basis. All revisions shall be developed with stakeholder input, including from equity eligible persons, equity eligible contractors, clean energy industry representatives, and community-based organizations.

Training Guidance and Support



- IPA encourages participating projects to utilize a diverse workforce as well as diverse contractors. Outreach to these businesses and people will be crucial to promote the Agency's programs and procurements.
- Eligible participants will consist of (1) persons who graduate from or are current or former participants in the Clean Jobs Workforce Network Program, the Clean Energy Contractor Incubator Program, the Illinois Climate Works Preapprenticeship Program, Returning Residents Clean Jobs Training Program, or the Clean Energy Primes Contractor Accelerator Program, and the solar training pipeline and multi-cultural jobs program created under the Public Utilities Act; (2) persons who are graduates of or currently enrolled in the foster care system; (3) persons who were formerly incarcerated; (4) persons whose primary residence is in an equity eligible investment community.

Modifications to the System

- If the Agency finds that the equity accountability system has failed to meet those goals to its fullest potential, the Agency may revise the following criteria for future Agency procurements:
 - the percentage of project workforce, or other appropriate workforce measure, certified as equity eligible persons or equity eligible contractors;
 - definitions for equity investment eligible persons and equity investment and
 - such other modifications necessary to advance the goals
- Such revised criteria may also establish distinct equity accountability systems for different types of procurements or different regions of the State if the Agency finds that doing so will further the purposes of such programs. Revisions shall be developed with stakeholder input, including from equity eligible persons, equity eligible contractors, and community-based organizations that work with such persons and contractors.

- **The purpose of data collection, data analysis, and reporting are critical to ensure that the benefits of the clean energy economy provided to Illinois residents and businesses are equitably distributed across the State. The IPA will collect data from program applicants in order to track and improve equitable distribution of benefits across Illinois communities for all procurements the Agency conducts.**
- **The Agency shall use this data to, measure any potential impact of racial discrimination on the distribution of benefits and provide information necessary to correct any discrimination through methods consistent with State and Federal law.**

Data Collection continued

- **Demographic and geographic data will be collected for each entity awarded contracts under any Agency-administered program.**
- **Data to be collected**
 - **Racial or ethnic identity for real persons employed, contracted, or subcontracted through the program and owners of businesses or entities that apply to receive renewable energy credits from the Agency.**
 - **Geographic location of the residency of real persons employed, contracted, or subcontracted through the program and geographic location of the headquarters of the business or entity that applies to receive renewable energy credits from the Agency; and**
 - **Any other information the Agency determines is necessary for the purpose of achieving the purpose.**
- **Data publication and frequency**
 - **The Agency will publish, at least annually, information on the demographics of program participants on an aggregate basis.**

Racial Disparity Study

Section 1-75(c-15) of the IPA Act

- The Agency is empowered to remedy racial discrimination in Illinois' clean energy economy as effectively and expediently as possible, including through the use of race-conscious remedies, such as race-conscious contracting and hiring goals, as consistent with State and federal law.
- Review Process, Timing and Scope
 - Within a year of awarding contracts, utilizing the equitable practices outlined, a report detailing an evaluation of program effectiveness of criteria and equity eligible contractors. The report shall disaggregate participating workers and contractors by race and ethnicity, and will be forwarded to the Governor, the General Assembly, the Illinois Commerce Commission and it will be made available to the public.
- Results and/or Remedial Actions for Accountability
 - This will continue to encourage and examine advantageous treatment of disadvantaged groups to reverse historical trends of discrimination and create equitable opportunities for qualified groups.

Upcoming Stakeholder Events



- **Upcoming Power Hours**

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- **For registration and recordings of upcoming webinars and workshops:**

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

(Under “About Us” on the IPA homepage)

- **ABP Reopening and Program Guidebook Updates Webinar**

Monday, December 13, 2021

11:00 AM – 1:00 PM CPT

LINK: <https://us02web.zoom.us/meeting/register/tZAufuCgpzkgpEtSpgz0u8V-GqAj753WHwREP>

Questions & Answers