

# Illinois Solar for All

Program Evaluation Stakeholder Input Session  
Tuesday, January 29, 2019

Comments due no later than Tuesday, February 5, 2019 at 12:00 PM CST  
Send comments to [comments@illinoissfa.com](mailto:comments@illinoissfa.com)

January 29, 2019



**ELEVATE ENERGY**  
Smarter energy use for all

**AECOM**



**Shelton Solutions Inc.**

# Agenda

- **Illinois Solar for All Program Overview**
- **Evaluation Requirements**
- **Program Performance Measurement**
- **Evaluator Selection Process**

# Disclaimer on Participation

- » The purpose of this session is to gather feedback from stakeholders on the statutorily mandated evaluation of the Illinois Solar for All Program.
- » While all stakeholders are welcome to listen to/view this session, entities that plan to respond to the forthcoming Request for Qualifications/Request for Proposals may not actively participate by asking questions, making/submitting comments, etc.



# Program Overview

# Illinois Solar for All Incentives & Benefits

- » Solar incentives targeted to low-income and environmental justice communities.
- » Higher value incentives than general market solar program to allow greater benefits to be passed on to qualified participants.
- » Job training requirements accelerate workforce development.
- » Grassroots Education funding to help build awareness in hard-to-reach communities.

# Serving Participants in Low-Income & Environmental Justice Communities

- » Residential property owners and renters, with an income of 80% or less Area Median Income (AMI)
- » Nonprofit and Public facilities serving low-income and environmental justice communities
- » Targeting 25% of incentives to serve Environmental Justice Communities

# Participant Benefits

- » Requirements for no upfront costs.
- » Requirements for a minimum of 50% of PV system value passed on to qualifying participants.
- » Comprehensive vendor participation requirements.
- » Ongoing installation management and inspections.

# Program Incentive Categories



## Distributed Generation

- » \$7.5 million per year
- » 50% savings on electricity\*
- » No upfront cost to participants



## Nonprofit/Public Facility

- » \$5 million per year
- » Nonprofit or Public Sector facilities
- » Connected to or within low-income/EJ communities
- » 50% savings on electricity\*
- » No upfront cost to participants



## Community Solar

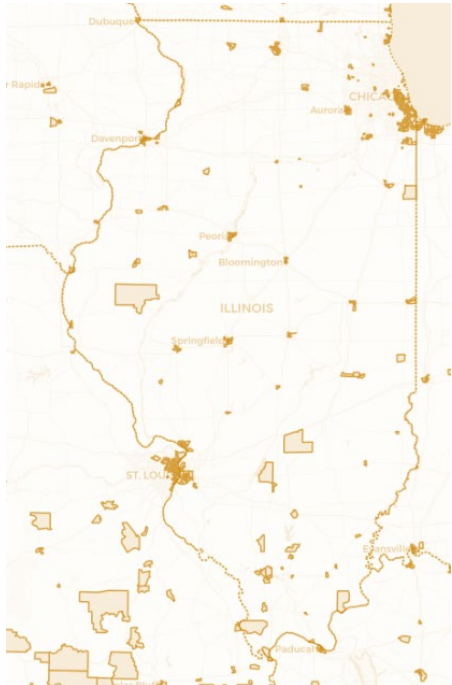
- » \$12.5 million per year
- » Installed in low-income or EJ communities
- » And/or subscribed to by customers in low-income/ EJ communities
- » 50% savings on electricity\*
- » No upfront cost to customer



## Community Solar Pilots

- » \$5 million per year
- » Funding low-income community solar pilot projects
- » Competitive Procurement

*\*Savings is calculated by dividing total customer expenses for PV system by total system value passed to customers (typically cost ÷ bill credits).*





# Program Funding Sources

## » Renewable Energy Resources Fund (RERF)

- Held by the state of Illinois
- Originally funded from Alternative Retail Energy Suppliers (ARES) through Alternative Compliance Payments (ACP)
  - \$20 million per year

## » Utility held Renewable Portfolio Standard (RPS) funds

- Ratepayer funded
  - \$10 million or 5% of RPS funds per plan year, whichever is greater

# Resources

## » Long Term Renewable Resources Procurement Plan

- Requirements for ILSFA as established by the Future Energy Jobs Act (FEJA) and the IPA
- Overview of ILSFA and key program components, such as Approved Vendors
- Will be updated in 2019 for 2020 implementation

## » IL Solar for All website – [www.illinoisifa.com](http://www.illinoisifa.com)

- Will become more robust as program launch nears

A hand holding a pencil points to a table of financial data. In the background, a calculator is visible. The scene is overlaid with a semi-transparent blue banner containing the text 'Evaluation Requirements'.

# Evaluation Requirements

152,000	1,002,152	45,981	359,200
1,350,652	195,025	326,900	31,958
25,000	1,452,600	702,015	50,859
15,600	20,658		585,090
			1,872,211

# Statutory Framework (see Section 1-56(b)(6) of the IPA Act)

- » *At least every 2 years, the Agency shall select an independent evaluator to review and report on the Illinois Solar for All Program and the performance of the third-party program administrator of the Illinois Solar for All Program.*
- » *The evaluation shall be based on objective criteria developed through a public stakeholder process.*
- » *The process shall include feedback and participation from Illinois Solar for All Program stakeholders, including participants and organizations in environmental justice and historically underserved communities.*

# Statutory Reporting Requirements

## » *Report must include:*

- *Number of projects installed*
- *Total installed capacity in kilowatts*
- *Average cost per kilowatt of installed capacity*
- *Number of jobs or job opportunities created*
- *Economic, social, and environmental benefits created*
- *Total administrative costs*

# Reporting Requirements from the Long-Term Renewable Resources Procurement Plan

(page 157)

- » *Review [of] the impact of the program on the energy costs of participants to assess how the benefits created by the program reduces their energy burden.*
- » *This evaluation will be used to inform any future modifications to the setting of incentive levels designed to create tangible economic benefits at a reasonable level for participants.*

- » *Outline proposed evaluation objectives*
- » *Seek stakeholder input and feedback on scope of the evaluation specifically including additional “objective criteria”*

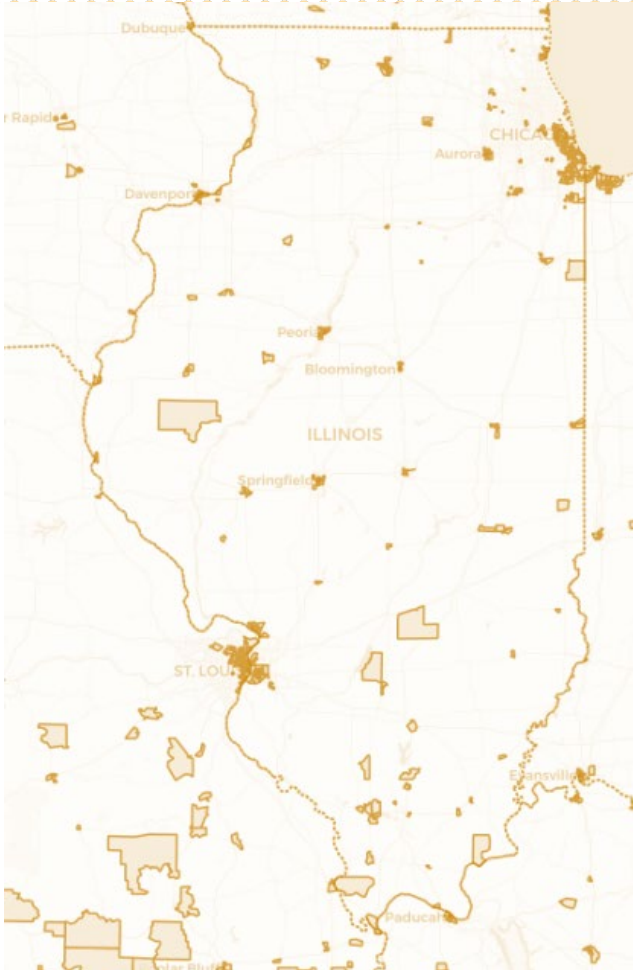
## Our Goal Today

A close-up photograph of a person's hands using a handheld device, possibly a barcode scanner or a specialized mobile phone, in an office environment. The person is holding the device with their right hand, and their left hand is visible near a computer keyboard. The background is slightly blurred, showing papers and office equipment. The entire image has a warm, yellowish-orange tint. A dark teal rectangular box is overlaid on the left side of the image, containing the text 'Program Performance Measurement' in white.

# Program Performance Measurement



# Proposed Program Performance Granularity



*Measuring program performance will benefit from a granular view of geographies and sub-programs. This can provide insight into how benefits are dispersed and identify gaps. Program data can be filtered by:*

- » *In total across program*
- » *By sub-program (DG, Non-profit/Public Facilities, Community Solar)*
- » *By geographic regions*
- » *By Environmental Justice communities*
- » *By low-income communities*

# Performance Metrics\*

Key delivery metrics that demonstrate delivery of benefits and efficiency. Measured across all key performance filters.

- » Required:
  - Number of installed projects
  - Installed capacity
  - Average cost per kilowatt of installed capacity
- » Proposed:
  - Incentive dollars awarded
  - Average cost per kilowatt-hour of expected production

\*Each metric filtered by performance filters; i.e., sub-program, geography, etc.

# Administrative Metrics

Measuring administrative efficiency and use of funds.

- » Required:
  - Total administrative costs
  
- » Proposed:
  - Total administrative budget as % of program budget

# Jobs Metrics\*

Measuring immediate and long term job creation and specific workforce development impacts.

- » Required:
  - Number of jobs or job opportunities created
- » Proposed additional specificity:
  - Construction/Installation Jobs
    - Permanent jobs
    - Percent of installation hours by qualified job trainees
  - Supply Chain Jobs
  - Induced Jobs

\*Each metric filtered by performance filters; i.e. sub-program, geography, etc.

# Economic and Social Benefits\*

- » From the Long-Term Plan:
  - Impact of the program on the energy costs of participants to assess how the benefits created by the program reduces their energy burden
- » Possible additional benefits to evaluate:
  - Correlation between locations of installations and where job trainees live
  - Percent of domestically produced panels

\*Each metric filtered by performance filters; i.e. sub-program, geography, etc.

# Environmental Benefits\*

Measuring environmental benefits in various ways and across sub-programs and geographies.

- » Possible measures:
  - CO<sub>2</sub> Reductions
  - Energy and Emissions Equivalencies
    - Homes powered
    - Fossil fuel equivalents

\*Each metric filtered by performance filters; i.e. sub-program, geography, etc.

# Other Potential Evaluation Topics

- » Additional participant demographics
- » Housing stock issues that prevent participation in the Distributed Generation Program
- » Rate of projects that are not completed and contributing factors
- » Impact of grassroots education efforts on community-level uptake of solar
- » Complaints/participant satisfaction
- » Average savings by business model types



1. Are there additional or different ways to add granularity to the evaluation, and what additional data collection would be required?
2. How should “low-income community” be defined for this evaluation; for example: geographic areas with a density of 50% of households that are 80% AMI or greater.
3. How should “energy burden” be defined?
4. What data will be needed on household income and historical energy use?
5. What other “objective criteria” should be evaluated?
6. How should Program Administrator performance be evaluated?



# Evaluator Selection Process



# Process

- » Evaluator will be selected through a Request for Qualifications/Request for Proposals process administered by the IPA
- » Two parts:
  - Request for Qualifications to ensure quality of respondents
  - Request for Proposals to determine the strength of the proposed approach of the respondents

# Example of Qualification Requirements

- » **Qualification Requirements for the IPA's Procurement Planning Consultant:**
- » (A) direct previous experience assembling large-scale power supply plans or portfolios for end-use customers;
- » (B) an advanced degree in economics, mathematics, engineering, risk management, or a related area of study;
- » (C) 10 years of experience in the electricity sector, including managing supply risk;
- » (D) expertise in wholesale electricity market rules, including those established by the Federal Energy Regulatory Commission and regional transmission organizations;
- » (E) expertise in credit protocols and familiarity with contract protocols;
- » (F) adequate resources to perform and fulfill the required functions and responsibilities; and
- » (G) the absence of a conflict of interest and inappropriate bias for or against potential bidders or the affected electric utilities.



## 7. What should be key qualification requirements?

- A. There is a large pool of evaluators for energy efficiency programs. To what extent is that experience transferable?
- B. Should experience specifically evaluating low-income energy programs be required?
- C. Should we require experience specifically evaluating solar programs?
- D. How important is prior evaluation experience in Illinois?

# Proposed Process

- » Comments on evaluation approach and objective criteria due by February 5<sup>th</sup>.
  - Send comments to: [comments@illinoissfa.com](mailto:comments@illinoissfa.com)
  - All comments will be posted to program website
- » IPA will review comments to finalize scope of evaluation.
- » IPA will issue a Request for Qualifications, and then a Request for Proposals based on the stakeholder input
  - Scoring of responses to the Request for Qualifications and selection of respondents to be invited to respond to the Request for Proposals to be conducted by the IPA
  - Scoring of the responses to the Request for Proposals to be conducted by the IPA
  - Contract for selected Evaluator is subject to Illinois Commerce Commission approval



8. Should there be a second workshop to discuss initial feedback prior to issuing the Request for Qualifications?
9. What should be the focus/priority between evaluation approaches that include additional qualitative research (e.g., field interviews) versus analyzing data collected as part of regular program operations?
10. How should the desire to evaluate many topics be balanced with the commensurate increase in the cost of conducting the evaluation?
11. What should be expected for evaluation of the initial program opening in spring 2019 versus a full biennial evaluation? (Note the Long-Term Plan will be updated during summer 2019.)

# For More Information on Illinois Solar for All:

[www.illinoissfa.com](http://www.illinoissfa.com)  
[info@illinoissfa.com](mailto:info@illinoissfa.com)

## Questions on the Evaluation Process:

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