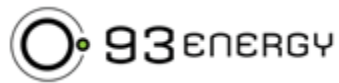


From: Eric Payne <epayne@93energy.com>
Sent: Tuesday, January 26, 2021 2:03 PM
To: Illinois Solar Comments <comments@illinoisfa.com>
Subject: Stakeholder Comments to the Revised LIDG Referral Proposal

Energy efficiency work should be a part of any LIDG projects; however, there aren't enough funds to make that happen with the current affordability requirements. The 50% savings calculation should include quantifiable energy savings realized from included energy efficiency work.

If there were groups of 10+ homes in an unserved area that would make it much more attractive for Approved Vendors to venture outside of their current territory.

Referrals should be available to all approved vendors. If there are a large number of interested buyers, that could encourage additional Approved Vendors to participate.



Eric Payne President
773-517-5295
epayne@93energy.com
www.93energy.com

From: Kevin Bushur <kbushur@cefseoc.org>
Sent: Monday, February 1, 2021 11:42 AM
To: Illinois Solar Comments <comments@illinoissfa.com>
Subject: Referral comments

I think Illinois Solar for All is missing an opportunity in working with Community Action Agencies with the Weatherization Program for residential solar. All of our Weatherization customers are income eligible for Illinois Solar for All. We have assessors completing an assessment for Weatherization. They could easily be trained to complete a solar assessment at the same time. After the assessment, we then could refer them to the vendors.

Thanks for allowing me to share my comments.

Thanks
Kevin

Kevin Bushur MS/LCPC CCAP
Chief Executive Officer

[C.E.F.S. Economic Opportunity Corp.](#)

Disclaimer

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To: Illinois Power Agency
From: Participants in the Illinois Solar for All Working Group
Date: 2/1/2021
Re: Illinois Solar for All Working Group Comments on DG Subprogram Referral Proposal

Dear Illinois Power Agency & Program Administration Team:

The Illinois Solar for All Working Group is pleased to deliver the enclosed comments on the proposed Referral Process for the low-income distributed generation subprogram. 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 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:

Central Illinois Healthy Community Alliance	PosiGen Solar
Central Road Energy LLC	Prairie Rivers Network
Citizens Utility Board	Renewable Energy Evolution
Environmental Law & Policy Center	Seven Generations Ahead
Faith in Place	Sierra Club, Illinois Chapter
Illinois People's Action	The Illinois Environmental Council
Little Village Environmental Justice Organization	Trajectory Energy Partners
Natural Resources Defense Council	Universal Housing Solutions CDC
Pilsen Environmental Rights & Reform Organization	Vote Solar

Working Group Process

The Working Group began convening in January 2017, and has had monthly full-group meetings until the present time. From time to time, the Working Group operates with sub-teams or break out groups that focus on specific areas relevant to the policies at hand and future work on the program. These sub-teams have included: Program Administration & Evaluation, Consumer Protection & Financing, Education & Engagement, Job Training, and Project Workshop.

Working Group Commenting and Engagement History for IL Solar for All

- A draft White Paper was delivered to the IPA on May 5, 2017.
- 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
- A final White Paper was published on July 11, 2017 on lowincomesolar.org.²
- The Working Group also submitted a response to the Draft Long-Term Renewable Resources Procurement Plan on November 13, 2017.³
- 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 InClimate 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.

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* 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

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

²

http://www.lowincomesolar.org/wp-content/uploads/2017/07/20170711-ILSfA-Working-Group-White-Paper_Final_wAppendices.pdf

³

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

⁴ www.lowincomesolar.org

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 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.

Illinois Solar for All Working Group Comments on Low-Income Distributed Generation Subprogram Referral Process

Introduction

The Illinois Solar for All Working Group (“Working Group”) appreciates this opportunity to comment on the revised Referral Proposal put forward by the Illinois Power Agency and Elevate Energy in its role as Program Administrator. The Working Group continues to believe a referral process has value as a program participation tool, particularly for the Low-Income Distributed Generation (LIDG) subprogram of the Solar for All Program.

While continuing to believe in the relevance of a referral process, the Working Group does not imagine any referral process would be a silver bullet to solve the participation challenges faced by the LIDG subprogram. Rather a referral process needs to be paired with other program improvements, both to attract customers and to create a more effective experience for would-be approved vendors. To that end these comments focus first on Referral Proposal, guided by the questions put forth by the Agency before sharing some broader thoughts on other needed program improvements.

By and large, the Working Group supports the revised Referral Proposal - although we do raise targeted issues and suggestions for improvements in our comments below. Additionally, in our discussion about other program improvements needed to enhance participation, we identified a number of key issues (although not an exhaustive list). These include implementation issues, insufficient margins, and barriers to financing.

The Working Group also recognizes that disruptions to the Adjustable Block Program may have consequences for the ILSFA LIDG program. Approved Vendors who are currently working in both programs may find difficulty solely developing ILSFA projects. Despite this uncertainty, the Working Group believes it is imperative that we pursue comprehensive subprogram improvements, including but not limited to this Referral Proposal.

Response to Questions for Stakeholder Comment

Q: Is the revised Referral Proposal likely to facilitate participation in the LIDG program by Approved Vendors and result in an increase in project Applications?

The Referral Proposal, alone, cannot solve all the challenges to participation faced by Illinois Solar for All’s Low-Income Distributed Generation (LIDG) subprogram. Nonetheless the Referral Proposal (or something like it) that proactively connects customers to Approved Vendors (AVs) is one piece of the larger ecosystem of support needed to facilitate effective participation in the subprogram. During a recent (post-December workshop) informal poll of

ILSFA Working Group members, 70% of respondents answered “yes” when asked whether the Referral Proposal would improve the program. Thus, while the Working Group does not expect the proposal to yield a jump in participation, we nonetheless urge its advancement (with some modifications to be discussed further below).

The Solar for All Working Group was an early advocate for a referral process. In the beginning days of the program, the lack of any user friendly way to refer customers to AVs was often cited as a problem by grassroots educators as well as localities and non-profit groups, in their interactions with Working Group members. The workshop on the initial Referral Proposal made clear that the grassroots educators, at least, have found workarounds for this issue and/or now, with greater experience, view other barriers to participation as more urgent. With the Administrator now seeing only a handful of direct customer referrals, workshop participants questioned the value and urgency of this process.

The Working Group shares other workshop participants' concerns that referral is no longer among the most urgent barriers to program participation, however that does not mean it is not worth addressing. Even if there are only a trickle of customers referred to the Administrator, those customers should still be able to get connected to AVs, *if they so choose*. Furthermore, if a referral process is put in place it has the potential to enable new efforts at driving customer participation that cannot work when there is no referral process in place. For instance, it may be worth considering more proactive marketing of the program to targeted audiences once a referral process is in place. The Working Group recognizes that the Administrator has long been able to refer interested customers to the comprehensive list of AVs and has more recently been able to refer customers to AVs with standard offers. But there is no reason for someone to opt into a list of interested customers for the Administrator to compile if they are just going to be told to go out and connect with an AV on their own. The current process is not “proactive” because it does not automatically facilitate the connection of a customer to an AV without further work required on the customers' part¹.

Rather than question the worth of the referral process, overall, given the likelihood that it will not solve participation challenges faced by the LIDG subprogram, the Working Group recommends the Illinois Power Agency and Elevate Energy in its role as Program Administrator enable a Referral Process that will not require significant staff or other resources when it is not being used². To our knowledge the existing Referral Proposal achieves this goal.

¹ Again - only customers who opt in to this sort of proactive connection should have their information shared with AVs.

² Care may be needed to ensure the monthly proposed check on interested households without active approved vendors can be done efficiently as well as to ensure that households hanging out on a waiting list are followed up with as expected and appropriate.

Q: What changes to the revised Referral Proposal would increase participation by Approved Vendors in areas of the state currently underserved?

Changes to the referral process alone will not increase participation by AVs in currently underserved areas. Placing more of the administrative responsibilities on the Program Administrator could help draw in AVs by, for instance, providing a boilerplate contract for standard PPA or lease offers, as could scaling up program marketing to the public and grassroots education efforts post-COVID. Speeding up the project review process seems critical. It may also be time to begin to consider increasing REC prices in unserved geographies.

Q: For potential participants who go through the referral process but don't have any active Approved Vendors in their area, would having the option to be placed on a list of interested, income-eligible customers that would then allow for outreach to Approved Vendors based on having that pool of eligible customers in a particular area result in Approved Vendors expanding into those geographies?

This approach might eventually draw AVs into currently unserved areas. The proposed referral process is an improvement, as it is important that potential customers have a place to go to indicate their interest, to learn a bit more about the program, and to understand what the next steps are, but will need to be managed carefully so as not to create distrust in and derision for the program. Participants must be clearly and honestly informed about the current lack of AVs and the process of contact collection, and must be kept informed, even when there are no AVS indicating an interest. Staff must ensure that these people are not forgotten and should be regularly updated. Failing to do so would be detrimental to the program's reputation and operation.

We have heard from the smaller AVs that these projects do not "pencil out" but that multiple projects in one of the currently underserved areas could potentially be financially viable, though the collapse of the ABP has made this more unlikely. It may be time to begin to consider an increase in the REC prices for 1 to 4 unit DG projects, particularly in those geographic areas with no ILSFA DG projects.

Q: Are there aspects of the revised Referral Proposal that would preclude participation by AVs? If so, what modifications could be made to the Referral Proposal that would allow for a precluded AV to participate?

We cannot foresee any obstacles in the proposed process that would preclude AVs that desire to participate in the LIDG program.

Q: How would the revised Referral Proposal impact the participant experience?

In the current process, for any customer not directly solicited by an Approved Vendor, the onus is on the customer to be proactive about finding an Approved Vendor who will work with them on a project. The customer can call the program hotline, email the program administrator, or search for an Approved Vendor on the program website, and then they have to contact each vendor (a lengthy list before the “Distributed Generation Offers” resource was created) and hope to hear back.

With the revised Referral Proposal, if the customer agrees, the onus is on the vendor to contact the customer, and for the Program Administrator to follow up. Assuming the customer is contacted through the revised process, this takes tremendous burden off of the customer in moving their project forward.

The process does not guarantee that the customer will be communicated with after their information is released to Approved Vendors, so it is important that any customer going through this process be followed up with by the Program Administrator so that their application doesn’t fall through the cracks, in the case that no Approved Vendor contacts them. In the case that they are contacted by multiple vendors, it is important to have an impartial messenger to answer customer questions about the program. Many interested participants (have not been and) will not read the entire program brochure and may not know how to ask program-specific questions. Vendors are incentivized to focus on their specific offers, so having the Program Administrator step in at this stage can be crucial in maintaining participant confidence in the program.

If income verification by the Program Administrator is only valid for 6 months, this may create undue burden for the program participant if there is administrative delay in moving a project forward. We recommend income verification by the Program Administrator to be considered valid for 12 months.

Q: Should referrals be provided to all AVs or only to those who provide offers?

Should the Agency adopt the draft Referral Proposal for the Low Income DG subprogram, referrals should be limited to those AVs that have provided offers that meet the requirements of the program. As discussed above, while a revised referral process is an important improvement to the operation of the DG subprogram, it alone will not address the problem of lack of AV take up. Nevertheless, it is essential that potential customers have a positive experience when interacting with the various players in the subprogram (e.g., Elevate Energy, AVs, grassroots educators) so that we can help build trust in and support for the program. To that end, the Program Administrator should only share customer contacts with AVs (or their designees) that have a viable financial product and have committed to building DG projects.

We understand that this requirement may pose a barrier for some AVs that lack a PPA or lease contract consistent with ILSFA DG legal requirements and may also lack the resources to retain

legal assistance to create a contract. One idea for potentially addressing this barrier, but which warrants further consideration and stakeholder feedback is for the Program Administrator and the Agency to work together to provide a sample boilerplate ILSFA-compliant contract that AVs could adapt to their specific needs and use to create a standard offer, thereby removing some of the administrative burden and a barrier to entry. While this has the benefit of helping to foster the small, diverse, new businesses many stakeholders are interested in seeing succeed in this program, there are legitimate questions over whether developing a contract should be a core competency of a LIDG provider and whether this opens the door to installers that are not vested in the core benefit the program is supposed to provide to customers.

We would also suggest the Agency consider adding the following to the standard offer information requirements:

1. Specify project disposition at end of contract (e.g., Will project be removed? By whom? What are the conditions under which the homeowner can take ownership of the system?)
2. Provide specifics on price of power escalator, if any.
3. Specify offer expiration date.
4. Provide home type(s) (e.g., single family, duplex, 3+ units)
5. State whether system monitoring is included.
6. State that product warranties and system maintenance are included (although required, it would be good to include in a customer facing document).

Q: What unintended consequences could the revised Referral Proposal create for AVs or participants?

Note that Grassroots Educators and Approved Vendors should not be required to use this process if they don't want to. They should have the opportunity to manage the customer relationship internally and to refer customers to the Program Administrator's income verification process separate from the proposed referral process.

Another potential unintended consequence could arise if customers are brought through the income verification process before they are fully informed about the availability of Approved Vendors in their area. The current referral proposal suggests that the Administrator will verify income before informing the participants of the number of AVs in their area. This should be reversed. The participant should know that there's actually a chance of them getting solar before they go through income verification or any other steps that might unintentionally increase expectations or create unnecessary administrative processes.

Ultimately, the most likely negative consequence is that this could increase customer demand before other program reforms are deployed to increase Approved Vendor supply.

Q: Are there alternative structure(s) for a referral program for income-eligible Households?

The Working Group appreciates the referral proposal as a significant step in improving the customer experience, but urge the Program Administration team to take this approach one step further by creating a comprehensive onboarding portal that will 1) further improve the process for prospective LIDG customers and 2) have helpful ripple effects on other ILSFA subprograms.

- 1) **Improve the Customer Experience.** Picture yourself in the shoes of a prospective ILSFA LIDG customer. You may have heard of solar and come across a flyer for the ILSFA program, but you are unlikely to know the difference between community solar and “DG” unless you are at an informational event hosted by a Grassroots Education organization. It is crucial that the onboarding process and the questions asked are accessible to those with limited background or awareness of solar in the program and that it readily carries them through to an endpoint of helpful information. If not, some benefits of this referral process (e.g. customers finding the program organically) could become drawbacks (e.g. prospective customers being dissuaded and/or the Program Administrators spending unnecessary time fielding basic questions). See link below for details on our suggested approach.

- 2) **Allow for co-benefits to other sub-programs and avoid dead ends for customers.** The comprehensive onboarding portal should not be solely dedicated to the LIDG sub-program. If so, we run the risk of losing customers that are not a fit for the LIDG program but would make excellent candidates for other ILSFA sub-programs or even the Adjustable Block Program. Here are a few examples of customers that could be served by a comprehensive onboarding program but underserved through the current LIDG-specific proposal:
 - A family of four living in Chicago Lawn that makes \$72,000 per year. They make too much for the ILSFA LIDG subprogram income threshold but should be directed towards information about the Adjustable Block Program (when it reopens).
 - An elder living in a South Shore 20 unit condo who qualifies by income but does not fit the profile of a 1-4 Unit LIDG candidate. They could be connected to future AVs operating in the 5+ unit LIDG space or connected to current community solar subscription opportunities.
 - A pastor in Lawndale who hears about the program and would like to explore options for their church. They could be connected to AVs who are actively pursuing and developing projects via the NP/PF subprogram.

Designing a comprehensive onboarding portal would accomplish both of these goals. [This straw proposal attempts to maximize these opportunities while minimizing long-term administrative](#)

[burden](#). Ideally, this type of user-friendly interface would be connected with the Program Administrator's customer management system to help track customers and to make project submission easier down the road.

This type of comprehensive approach also makes marketing and outreach easier. Rather than having to advertise a website or platform that is specific to one small group of customers, the Program Administration team could cast a wider net and build general awareness of the ILSFA program.

Lastly, it's critically important that a comprehensive onboarding portal work to the benefit of Grassroots Education organizations. Imagine community meetings held by Grassroots Education organizations. They could have laptops set up in the room for customers to answer questions and build their ILSFA customer profile. The portal should also provide an opportunity for customers to indicate their involvement with a Grassroots Educator.

Q: At the December 3 workshop, workshop participants suggested that additional marketing and improved coordination with energy efficiency programs may be useful as tools to remove barriers to program participation that are not dependent on the referral proposal. What other strategies can be employed to ease barriers to program participation?

This customer referral proposal helps address one of the barriers to ILSFA LIDG success. However, as we've stated throughout these comments, we do not view this intervention as a silver bullet that will unlock the program scale and impact that we collectively envision. In particular it is critical to drive AV entry in parts of the state where there are no providers of LIDG. Combining the customer referral program with other program interventions will maximize overall impact.

In many ways, the ILSFA LIDG program is unable to flourish because 1) current Approved Vendors are facing barriers in creating streamlined, sustainable offers and 2) prospective Approved Vendors cannot find a workable financing solution to create LIDG offers. With that in mind, here are three key issues currently blocking ILSFA LIDG AVs from catalyzing program success:

1. **Implementation Issues:** "implementation is too slow and burdensome"
2. **Insufficient Margins:** "it doesn't pencil out"
3. **Financing Barriers and Risk:** "can't design an offer"

Implementation Issues

Background:

- Approved Vendors currently participating in the LIDG subprogram have expressed concern about both the timeline and process of customer vetting and project submission.

- Prospective Approved Vendors and potential financing partners have also shared apprehension about the regulatory and administrative burden of the program.
- Examples include:
 - Significant paperwork expectations, including redundancies between project submission portal and scanned forms. The increased staff time for gathering and managing paperwork and then submitting it to the project portal was cited as a barrier to rapid deployment.
 - Sensitivities around the income verification process and missed opportunities to pursue streamlined verification elsewhere. Redundancy between the Basic Information Form and other income documents. (Note: some of this will likely be addressed through the Program Administrator's commitment to support income qualification).
 - The quantity of documents that require a signature from customers. These projects are more likely to require in-person signatures, which can potentially increase the number of "touches" that the sales process requires.
 - Shifting expectations and unclear communication from the Program Administrator.

Why we should solve it:

- The ILSFA program, and certainly the LIDG, is gaining notoriety for being difficult to navigate.
- This is suppressing current involvement by Approved Vendors and discouraging potential future applicants.
- The consequence is that Approved Vendors are not participating in sufficient numbers and, as an extension, that potential customers throughout the state are not receiving ILSFA solutions.
- This impact - those customers who are not seeing solar savings the way the program and legislation had intended - should be weighed against the ever present need to prevent fraud, waste, and abuse.

How we could solve it:

- Approved Vendors have the most important perspective of opportunities for program reform. The Program Administrator should ensure that AVs have their voices heard.
- Regular convenings similar to the December 3, 2020 workshop could help identify pain points in the implementation process.
- Additional steps could be taken to allow streamlined income verification. Recent changes that allow the Program Administrator to facilitate verification will likely improve the process and allow new opportunities for customers but additional reform will allow current AVs to scale up operations. Examples could include allowing LIHEAP, WAP, and low-income energy efficiency programs to serve as third-party qualifying programs.

- Some members of the ILSFA Working Group expressed interest in adjusting the ILSFA LIDG project vetting and submission process to more closely resemble the Adjustable Block Program processes.
- The Working Group has consistently advocated for rigorous customer protections. We stand by that commitment and understand that these implementation reforms need to be balanced with maintaining customer protections. We believe there are opportunities to reduce administrative burden while maintaining customer protections.

Insufficient Margins

Background:

- The smaller systems, higher customer acquisition costs, significant administrative burdens, and risk of disconnections makes it challenging for AVs to design a profitable offer, despite the higher REC prices for ILSFA LIDG.

Why we should solve it:

- The ILSFA LIDG program relies on companies and organizations developing projects. Those companies cannot develop projects if they lead to financial loss - there should be sufficient profit to allow sustainability and growth.
- The ILSFA LIDG program should match, or perhaps even exceed, the margins of the Adjustable Block Program in order to attract AVs.

How we could solve it*:

- The Renewable Energy Credit (REC) for the ILSFA LIDG program could be raised, particularly in geographies that lack current offers.
- Create auxiliary programs that increase the chances of a prospective customer qualifying for the program. For example, a designated fund for deferred maintenance would provide additional benefits to the customer and additional opportunities for the AV.
- Create financial incentives to combine ILSFA LIDG with energy efficiency programs.
- The customer referral proposal, particularly if pursued as a comprehensive onboarding portal along with maintaining a pool of eligible customers, would eventually help to lower this barrier by reducing customer acquisition costs.

*The Working Group acknowledges that some of these potential solutions would raise program costs and may warrant additional discussion/stakeholder feedback before implementing. However, at this point, two years into the program with limited uptake, they should certainly be considered.

Financing Barriers & Risk

Background:

- Some companies are unable to arrange and design their own PPA or lease (the only models currently feasible with the program requirements).
- High upfront costs, inequitable access to capital, and long waits for Renewable Energy Credit (REC) payments create barriers to entry for prospective AVs. Disadvantaged and Black, Indigenous, and People of Color (BIPOC) contractors have limited access to capital due to historical and ongoing inequities.
- Small AVs do not want to take on the risk or work associated with 15 years of managing REC deliveries, and there are insufficient margins in the REC contracts to pay for an AV Aggregator to assume that risk.
- It is particularly challenging to claim the Investment Tax Credit, which currently amounts to 27% of the project value stack. Given the limited tax appetite of target customers, direct ownership appears to be impossible without an upfront investment from the customer. Smaller contractors and developers might lack the sophistication and/or tax appetite to design an offer that could scale up with the program.

Why we should solve it:

- The program is inaccessible to disadvantaged entrepreneurs and contractors, many of whom come from the very communities that the Illinois Solar for All program is designed to serve.
- These financing barriers limit the universe of potential Approved Vendors, thereby limiting geographic coverage and options for customers.

How we could solve it*:

- Forming a third-party aggregator that could create a standard PPA, lease, or loan-to-own offer that contractors could offer to customers. This could also take advantage of on-bill financing opportunities. [This memo points to the possibility of a “Green Bank” structure to coordinate an on-bill repayment program to catalyze the ILSFA LIDG subprogram.](#)
- Increasing the REC value to cover the total cost of the LIDG systems and perhaps a third party AV Aggregator.

*As with our suggestions above, the Working Group acknowledges that these suggestions warrant additional discussion/stakeholder feedback before implementing.

Additionally, the Working Group recommends the following issues be explored through future stakeholder feedback opportunities and/or the next update to the long-term Plan.

- Opening the door to direct connectivity between AVs and grassroots educators
- Considering whether energy efficiency savings can be used in the savings calculation (this is allowed in some other states and may have some benefits when it comes to coordination with energy efficiency, but has not been fully considered here)

- Consideration of other changes that might be needed to the Solar for All program to futureproof for technological evolution, including the advent of battery storage and increased EV adoption (e.g. reconsideration of oversizing)

Conclusion

The Working Group appreciates the IPA's and its Program Administrator's thoughtful review of these suggestions and comments.