

Response to Comments: Approved Vendor Manual

Overview and Response Summary

The Program Administrator and the Illinois Power Agency (the Program Team) published proposed changes to Section 10 of the Approved Vendor Manual on January 26, 2021, with a Request for Comments due on February 26, 2021. One party, the Illinois Solar for All (ILSFA) Working Group, submitted written comments. The Program Team has considered these written comments and is sharing a summary and response to those comments below. The proposed requirements are available [here](#), and the full comments are posted [here](#).

After review of the submitted comments and additional internal analysis, the Program Team has decided against adding the proposed system requirements to Section 10 of the Approved Vendor Manual at this time. Although there will not be any Specific Yield requirements added to the Approved Vendor Manual, the Program Team is still interested in ensuring ILSFA solar arrays produce maximum benefit for participants and that consumer protections are in place to make sure participants understand the benefits they will receive based on the system installed. To address these concerns, the Program Team is evaluating the possibility of an additional disclosure requirement for recipients of systems with arrays that fall under a performance threshold and the possibility of adding a category for system efficiency as a part of any future Project Selection scoring for the LIDG program. Any additional disclosure requirements including the performance threshold will be announced with applicable implementation dates and any changes to Project Selection protocols would be updated through a stakeholder comment process and would not be implemented before PY5, which would open in summer 2022.

Solar Array Performance Considerations

The Program Team initially proposed the Specific Yield requirements to address concerns about consumer protections and transparency and to ensure that projects are designed with the best performance metrics possible.

The Program Team is sensitive to the concerns of the Working Group regarding Approved Vendors' willingness and ability to participate in ILSFA's three sub-programs. While we believe balance of customer access and project efficiency must be prioritized, we acknowledge that risk tolerance and ability to create economically viable projects will likely vary between Approved Vendors. The Program Team appreciates the Working Group's candor surrounding the utilization of the Investment Tax Credit (ITC) and how this credit is an unlikely factor in an Approved Vendor choosing to build arrays with performance metrics that do not meet the standards outlined in the Program Team's proposed requirements.

The Program Team also understands that the methodology that determines Renewable Energy Credit (REC) amounts accounts for performance metrics associated with lower-performing systems. While it may be important to let the market influence the financial feasibility of project implementation, a careful balance must be struck to align ILSFA project selection with optimal performance metrics. Additionally, the Program Team wanted to manage the concern that eligible households with roofs or lots that are not optimal for on-site solar generation due to shading and siting concerns have the potential to benefit from energy savings by participating in the Low-Income Community Solar sub-program. As designed and intended, the Low-Income Community Solar sub-program provides opportunities for renewable energy when it may not otherwise be possible due to on-site considerations.

Analysis of Submitted Projects

The Working Group's comments raised concerns around array performance requirements as having the potential to limit the implementation of projects within geographic and Environmental Justice Communities with less roof space and smaller lots. The goal of ILSFA is to expand access to solar for households and communities that have been historically underserved, and we appreciate the Working Group's transparency around how the proposed system requirements carry the potential to restrict project feasibility within the Low-Income Distributed Generation (LIDG) sub-program. In response to stakeholders' concerns that the 1,000 kWh/kWp Specific Yield threshold would limit Approved Vendors' abilities to submit future project applications, the Program Team evaluated all projects that have been submitted to the LIDG sub-program to date (many after the request for comments were announced). We found that over 50% would have been flagged for further review. Given this analysis, restricting these projects would have decreased access to solar and limited growth of the ILSFA program.

The Program Team also acknowledges that lot sizes and available roof space have the potential for smaller overall system sizes and more uncontrollable shading. Analysis of systems submitted during this comment period show several examples of these limitations. The Program Team hopes to avoid limiting installation within these communities and wishes to balance expanding solar access with ensuring that projects with lower performance metrics are properly evaluated within the ILSFA program and transparency is provided to participants. Despite the decision to not implement the proposed changes, Approved Vendors submitting ILSFA PV system designs should still work to minimize shading and placement of modules and arrays in low yield locations to the greatest extent possible.

Possible Changes to Standard Disclosures and Project Selection

In consideration of the submitted comment and additional analysis, the Program Team has decided that, rather than adding a requirement for system efficiency for project submission, we will instead evaluate the addition of disclosure requirements for systems that fall outside of a Specific Yield threshold. From a consumer protections perspective, the program is hoping to inform customers when systems fall below performance thresholds which could influence their desire to move forward on system implementation in comparison to subscribing to the Low-Income Community Solar sub-program or other energy efficiency measures.

Although the Program Team has decided against the implementation of an efficiency factor, there may be benefits to considering the implementation of an array-based efficiency factor for LIDG projects once the program reaches capacity to trigger the Project Selection Protocol. In this scenario, projects with arrays whose efficiencies are below a certain threshold would not be awarded points within the efficiency category, and projects whose arrays were above a certain threshold would be awarded points. This would allow for priority to be given to systems with higher performance metrics. Any changes to project selection protocols would be announced and be part of a stakeholder comment process.