Illinois Solar for All

ILSFA Approved Vendor Manual 5.0

9/27/2022

Review of Proposed Updates to the Approved Vendor Manual

Agenda

- Vendor Manual Overview
- PY5 Calendar
- Program Changes
- Discussion and Comments
    - Energy Sovereignty
    - Income Verification and Eligibility
    - Tangible Benefits
    - Project Submission Process
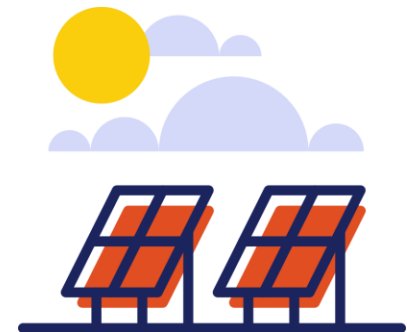- Process for Commenting
- Questions

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Vendor Manual Overview

Approved Vendor Manual 5.0 Overview

- Program Year 5:
    - June 1, 2022 – May 31, 2023

- Vendor Manual Updates include:
    - Changes to align with CEJA and the 2022 Plan
    - New and emerging programs
    - Streamlining processes for AVs
    - Sub-program names
    - Project Selection Protocol

Stakeholder Engagement Plans

The Program Administrator and the Agency will be doing stakeholder engagement and asking for comments on the following in the upcoming months:

- Vendor Manual
  - Draft and Redline (draft link & redline)
  - Comments Due: October 7, 2022, at 12:00 PM CDT
  - Final Document will be published ahead of the first window opening and a training session will be scheduled for Approved Vendors.
- Project Selection Protocol (link to document)
- Consumer Protection Handbook and Disclosures
- Pilot Programs listed in 2022 Plan
  - Program Delivery
  - Home Repairs and Upgrades

Terminology Updates

Participant-Friendly Names

Formal Names	Participant-Friendly Names
Low-Income Single-Family and Small Multifamily Solar (formerly Low-Income Distributed Generation, 1-4 units)	Illinois Solar for All: Residential Solar (Small)
Low-Income Single-Family and Large Multifamily Solar (formerly Low-Income Distributed Generation, 5+ units)	Illinois Solar for All: Residential Solar (Large)
Low-Income Community Solar	Illinois Solar for All: Community Solar
Non-Profit and Public Facilities	Illinois Solar for All: Non-Profit and Public Facilities

Income-Eligible Communities

Terminology has also been updated from "Low-Income Communities," as defined by the 2022 Long-Term Plan (a census tract where at least half of households are not exceeding 80% AMI) to "Income-Eligible Communities." The Income-Eligible Communities map and address look-up tool are available on the ILSFA website.
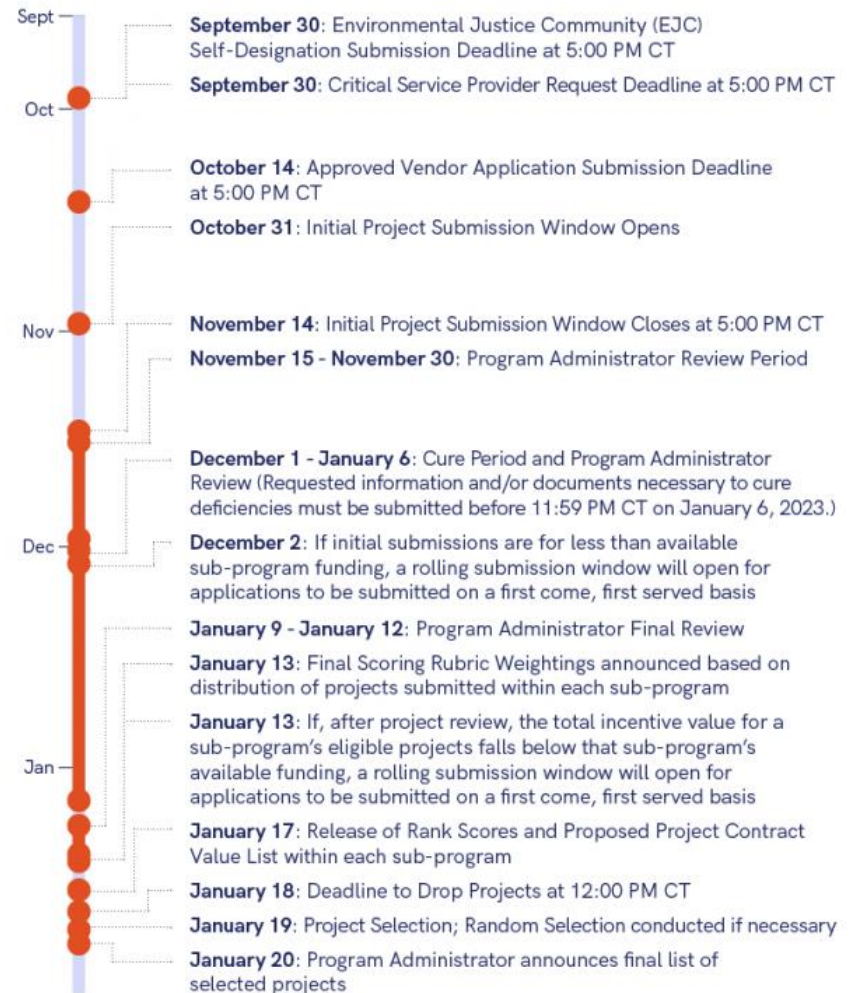
Program Year 5 Calendar

Program Submission Windows

Residential Solar (Small and Large) and
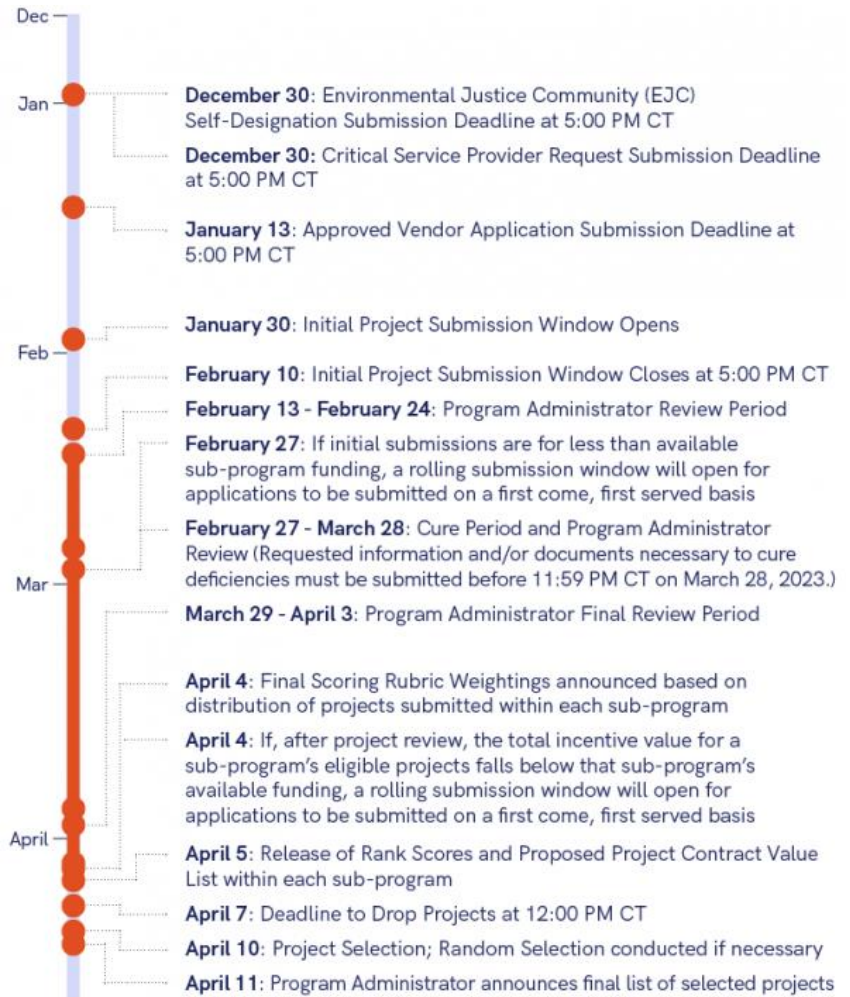**Non-Profit and Public Facilities** sub-programs

- Oct 31: Initial project submission window opens

- Nov 14: Project submission window closes

- Jan 20: Program Administrator announces final list of selected projects

Sept —
Oct —

September 30: Environmental Justice Community (EJC) Self-Designation Submission Deadline at 5:00 PM CT

September 30: Critical Service Provider Request Deadline at 5:00 PM CT

October 14: Approved Vendor Application Submission Deadline at 5:00 PM CT

October 31: Initial Project Submission Window Opens

Nov —

November 14: Initial Project Submission Window Closes at 5:00 PM CT

November 15 - November 30: Program Administrator Review Period

Dec —

December 1 - January 6: Cure Period and Program Administrator Review (Requested information and/or documents necessary to cure deficiencies must be submitted before 11:59 PM CT on January 6, 2023.)

December 2: If initial submissions are for less than available sub-program funding, a rolling submission window will open for applications to be submitted on a first come, first served basis

January 9 - January 12: Program Administrator Final Review

January 13: Final Scoring Rubric Weightings announced based on distribution of projects submitted within each sub-program

Jan —

January 13: If, after project review, the total incentive value for a sub-program's eligible projects falls below that sub-program's available funding, a rolling submission window will open for applications to be submitted on a first come, first served basis

January 17: Release of Rank Scores and Proposed Project Contract Value List within each sub-program

January 18: Deadline to Drop Projects at 12:00 PM CT

January 19: Project Selection; Random Selection conducted if necessary

January 20: Program Administrator announces final list of selected projects

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Program Submission Window

Community Solar

- Jan 30: Project submission window opens

- Feb 10: Project submission window closes

- April 11: Program Administrator announces selected projects

Dec —

Jan —
December 30: Environmental Justice Community (EJC) Self-Designation Submission Deadline at 5:00 PM CT

December 30: Critical Service Provider Request Submission Deadline at 5:00 PM CT

January 13: Approved Vendor Application Submission Deadline at 5:00 PM CT

January 30: Initial Project Submission Window Opens

Feb —
February 10: Initial Project Submission Window Closes at 5:00 PM CT

February 13 - February 24: Program Administrator Review Period

February 27: If initial submissions are for less than available sub-program funding, a rolling submission window will open for applications to be submitted on a first come, first served basis

February 27 - March 28: Cure Period and Program Administrator Review (Requested information and/or documents necessary to cure deficiencies must be submitted before 11:59 PM CT on March 28, 2023.)

Mar —
March 29 - April 3: Program Administrator Final Review Period

April 4: Final Scoring Rubric Weightings announced based on distribution of projects submitted within each sub-program

April 4: If, after project review, the total incentive value for a sub-program's eligible projects falls below that sub-program's available funding, a rolling submission window will open for applications to be submitted on a first come, first served basis

April —
April 5: Release of Rank Scores and Proposed Project Contract Value List within each sub-program

April 7: Deadline to Drop Projects at 12:00 PM CT

April 10: Project Selection; Random Selection conducted if necessary

April 11: Program Administrator announces final list of selected projects

Program Changes

Section 1 | Introduction

- Added information about Public Act 102-0662 (known as the Climate and Equitable Jobs Act or CEJA)

- Changed job training coordination to Elevate

- Added information on Existing and New Design Elements, including:
  - Small and Emerging Business Development
  - Equity and Environmental Justice Programs (Equitable Energy Future Grant Program and Community Solar Energy Sovereignty Grant Program)
  - Energy Efficiency Programs and Community Action Agencies
  - Climate Bank and Clean Energy Jobs and Justice Fund
  - Equitable Energy Upgrade Program
  - Energy Sovereignty

Section 2 | Sub-Programs Overview

- Extended the time period during which the Program Administrator-provided income verification is valid from 6 to 12 months

- Eliminated the requirement to present and sign the disclosure form seven days prior to consummation of the contract along with extending the cancellation period to simplify the customer engagement process

- Removed the minimum batch requirements

- REC Pricing Changes
  - Updated REC incentives based on the 2022 Plan
  - Added $10 per REC adder for on-site Energy Sovereignty projects
  - Removed 100% Low-Income Owned Community Solar Project REC adder
  - Removed the Small Subscriber REC adder for Community Solar Projects

Section 3 | AV Requirements and Registration

- Added language for Single Project Approved Vendors for project transfers

- Added language about outreach to prospective small and emerging and MWBE Approved Vendors

Section 4 | Project and Participant Eligibility

- Approved Vendors wanting to be listed on the ILSFA Small Residential Offers Document must have completed a small residential ILSFA project prior to being added to the document.

- Distributed generation projects serving multifamily affordable housing may no longer participate in the Non-Profit and Public Facilities sub-program.

- ILSFA will not include public schools in the Non-Profit and Public Facilities sub-program after the 2022-2023 program year.

Section 5 | Participant Savings Requirements
Section 6 | Project and Participant Verification

Section 5:

- Added language to underscore that tangible benefits should be verifiable. A new process has been introduced to facilitate review and management of tangible benefits.

Section 6:

- Added link to updated Income Eligibility chart for 80% AMI

- Added that the Program Administrator will still accept proof of LIHEAP or IHWAP approval as documentation of income eligibility, but with additional verification with DCEO to confirm household income eligibility to reduce inconvenience to the customer or the AV

- Changed Community Solar income verification Method D from U.S. Department of Housing and Urban Development Qualified Census Tract to Income-Eligible Census Tract and ILSFA Community Mapping Tool

Section 7 | Marketing and Consumer Protections

- Added link to IPA Consumer Protection Handbook

- Logo updated to be ADA compliant

- Marketing messages updated to be more participant friendly

Note: IPA has an expanded Consumer Protection Working Group

Illinois Power Agency
Consumer Protection Handbook
for the Adjustable Block Program & Illinois Solar for All

Approved July 14, 2022
Compliance required by August 28, 2022*

* 45 days of lead time for compliance with new requirements are provided pursuant to the 2022 Long-Term Renewable Resources Procurement Plan, § 9.3.3, and the Final Order in ICC Docket No.19-0995 at 56, 62.

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Section 8 | Project Submission Process

- Removed minimum batch size requirement.

- Added clarification that once an ILSFA REC contract is sent to the ICC for approval it is no longer eligible for the ABP

- Approved Vendors may now present participants with the Disclosure Form and installation contract in the same interaction and both documents can be executed contemporaneously.

- Added an additional consumer protection that the customer has the right to cancel within 14 calendar days of executing the contract.

Section 8 | Project Submission Process

- Added a deadline for disclosure entry into the AV portal for Community Solar projects approaching invoicing

- Added examples of items that would make an ILSFA project ineligible

- Added language clarifying how to provide proof of site ownership

- Removed requirement for proof of non-ministerial permits, clarified that ground mounted projects over 250kW will provide a land use permit from the AHJ (or written confirmation a permit is not required)

- Added requirements for interconnection agreements older than 16 months

- Added language prohibiting an application from being withdrawn and resubmitted in order to receive a higher REC price

Section 9 | Project Selection & Prioritization
Section 10 | System Requirements

Section 9:

- Added language about project selection and energy sovereignty carveouts

Section 10:

- Increased the maximum ILSFA system size to 5 MW (formerly 2 MW)

- Removed language requiring a detailed schematic showing only solar generated power was used to charge a battery for a system with battery back up

Section 11 | REC Credit Management
Section 12 | Annual Reports and System Performance

Section 11

- Added language about a third set of contracts for PY5

- Added language requiring Approved Vendors to confirm community solar subscription levels with their Vendor Manager and provide net metering lists

- Added language for energy sovereignty community solar projects including a request for feedback on cooperative models

Section 12:

- Updated Annual Report process

- Added the requirement that community solar subscriber details and disclosures should be submitted to the portal no later than 30 days prior to the end of the delivery year

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Section 13 | Invoicing & Payments
Section 14 | Inspections

Section 13:

- Added language regarding quarterly netting statements, invoices and Part II review process. Approved Vendors should submit Part II applications at least 30 days prior to the desired invoice date to allow for ample time for review, corrections and processing.

Section 14:

- Added Approved Vendor Photo Guide
- Added language about inspections being live on-site and either virtual or remote

Section 15 | Job Training Requirements & Verification

- Changed Qualified Trainees to Eligible Trainees

- Addition of job training requirements: 33% of projects in each subprogram requires the utilization of an eligible trainee.

- Removed language about prioritizing eligible trainees from FEJA job training programs

- Added list of DCEO job training programs

- Removed language about contractors who began training in a FEJA Workforce Development Program prior to the ILSFA launch

- Changed references from FEJA to CEJA

Section 16 | Complaint Management

- Added language about the IPA Consumer Protection Handbook and the related new requirements, clarification and provisions in the Handbook

- Deleted table 16.1 Incident Type and Reporting Timeframes

Additional Items for Discussion & Comments

Energy Sovereignty

Energy Sovereignty

- "Energy sovereignty" means the eligible low-income household or community organization having or being on a defined **path to majority or full ownership of the photovoltaic generating facility** or, in the case of a cooperative or community ownership model, **a share or membership in the entity that owns the photovoltaic generating facility**.

- "Ownership" means not only legal title to the property but also the right to participate in decisions regarding the governance, maintenance, and use of the facility and to benefit from the use of that facility. "Photovoltaic generating facility" means any equipment that generates electricity from solar energy. If the project includes associated energy storage equipment, the eligible low-income household or community organization is not required to, but may, own such storage equipment to qualify as an "energy sovereignty" project.

Energy Sovereignty

To promote ownership and local community wealth building, the ILSFA program reserves 25% of program incentives for projects that exhibit energy sovereignty features, which include:

1. Expedited customer system ownership and
2. Community solar cooperative models

Energy Sovereignty

- Any ownership model used to achieve energy sovereignty designation must still be compatible with ILSFA's function of buying 15 years of RECs generated from solar projects upon initial approval and energization of a solar project, providing an up-front incentive.

- In Section 5-60 of the Energy Transition Act, CEJA establishes the Jobs and Environmental Justice Grant Program with two subprograms:
  - the Equitable Energy Future Grant Program and
  - the Community Solar Energy Sovereignty Grant Program, both administered by the DCEO

Energy Sovereignty – Residential and Non-Profit and Public Facilities

- Onsite projects can achieve energy sovereignty designation through a lease or power purchase agreement (PPA) with an early buyout at seven years or earlier after energization

- Those projects will also receive a $10 REC adder applied to the project's REC contract for RECs delivered after the transfer of ownership is completed

- Residential and Non-Profit and Public Facilities energy sovereignty projects must provide information on:

- the cost and timing of the transfer of ownership,
  - transfer of warranties and insurance, and
  - cost of ongoing monitoring, maintenance, and insurance within their third-party owner (TPO) or power purchase agreement (PPA) customer contract.

Energy Sovereignty – Community Solar

Projects within the Community Solar sub-program can qualify for energy sovereignty designation through either

1. **An ownership model**
    The ownership model includes a lease or PPA with a buyout clause that is triggered at seven years or earlier after energization to give the customer ownership of the panels corresponding to their subscription to the CS project.

2. **A cooperative model**
    The cooperative model allows for a co-op organization to sell subscriptions to customers/owners of the co-op, with the customer receiving a low-cost subscription and any financial benefits of ownership.

Energy Sovereignty

Community Solar

Section 2.3 Illinois Solar for All: Section 8.2.2 of the 2022 Plan allows Community Solar Sub-program projects that promote energy sovereignty and are structured as cooperatives to charge a "nominal fee" as an up-front cost to a participant to join the cooperative.

The Agency and Program Administrator are interested in stakeholder input on methodologies to establish a cap for that nominal fee that are consistent with financing models being used or under consideration for use on ILSFA energy sovereignty projects.

Energy Sovereignty

Community Solar

- Section 4.3 Community Solar Project Eligibility has a list of requirements for how projects within the Community Solar sub-program can qualify as energy sovereignty projects for the purpose of the Project Selection Protocol under either an ownership model or cooperative model.

Are the contract types and specifications sufficient to capture the breadth of ownership models? Are there additional requirements that should be added to require a certain percentage of ownership shares beyond a majority (>50%) ownership threshold?

Energy Sovereignty

Community Solar (continued)

What additional consumer protections or customer contract requirements are needed to define how Energy Sovereignty Ownership subscriptions are sold?

How should ownership turnover be measured in terms of maintaining subscription levels for Community Solar projects?

The Program Administrator and Agency are interested in feedback on allowing for-profit anchor tenant owners in Energy Sovereignty Community Solar projects. For-profit anchor tenants could represent either corporate or small- and/or locally-owned businesses.

Energy Sovereignty

For Non-Profit and Public Facility or Residential Energy Sovereignty projects

What additional consumer protections or customer contract requirements are needed to ensure that buyout structures before year seven meet the intent of the law to "ensure that local people have control of the project and reap benefits from the project over and above energy bill savings?

Income Verification & Eligibility

Income Verification & Eligibility

In Section 6 Project and Participant Verification, the Program Administrator provides a list of categories that are or are not considered as income. This list was initially formed as part of the program's development phase with the input of stakeholders and is meant to align with LIHEAP guidelines (which is the most frequently used 3rd party income verification method).

Given the updates to the 80% AMI income limits, and other Program changes since initial program development, are there other changes that should be made to this list?

Tangible Benefits

Tangible Benefits

In Section 2.2 Illinois Solar for All: Community Solar Sub-program and in Section 5 Tangible Benefits and Value to Participants, language was added to clarify the process of identifying tangible benefits for residents of master-metered residential buildings. Benefits must be available and communicated to all tenants of master-metered residential buildings, regardless of income level, and cannot represent necessary repairs or renovations. This creates a challenge of ensuring residents are seeing benefits while not creating an overly burdensome system of ongoing tracking and verification.

The Program Administrator is *interested in feedback on this process and if additional information would be helpful to streamline the process for both Approved Vendors and building owners to collect and submit information initially and on an ongoing basis.*

Project Submission Process

Project Submission Process

- The 2022 Plan included several changes to the project submission process to increase participation, lower soft costs, and simplify customer acquisition procedures including:
  - Extending the time period during which the Program Administrator-provided income verification is valid from 6 to 12 months
  - Eliminating the requirement to present and sign the disclosure form 7 days prior to consummation of the contract
  - Extending the cancellation period to simplify the participant engagement process
  - Removing the minimum batch requirement and improving the project submission experience

Project Submission Process

(continued)

- Redesigning the disclosure forms for ILSFA to shorten and simplify the documents

- Expanding the number of people eligible using Method D of Income Verification for Community Solar subscribers, allowing use of income affidavits to document eligibility for residents of Income-Eligible Census Tracts, where at least half the households are below 80% AMI

- Adding Approved Vendor Photo Guide to Approved Vendor Manual

- Removing prioritization of FEJA Workforce Development trainees for ILSFA job training requirements

The Program Administrator and Agency believe the Program should maintain robust protections against gaming, substandard work, and a negative customer experience, but are open to feedback of further process improvements.

Process for Commenting & Questions

Comments & Questions

- Responses are due by no later than Friday, October 7, 2022, at 12:00 PM CDT and should be sent to comments@IllinoisSFA.com.

- The IPA and the Program Administrator are seeking feedback on:
  - Energy Sovereignty
  - Income Verification
  - Tangible Benefits

- Responses and questions will be made public and published on the ILSFA website. However, should a commenter seek to designate any portion of its response as confidential, that commenter should provide both public and redacted versions.

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