

02.28.2023

ILSFA Residential Solar Pilot Project ~~Proposal~~ Design

Program Overview

The 2022 Long-Term Renewable Resources Procurement Plan (the 2022 Long-Term Plan) outlines the “Program Delivery Pilot” to address the Illinois Solar for All: Residential Solar (Small) sub-program not yet reaching a level of participation that utilizes the full annual budget. Prospective participants and Approved Vendors have reported several barriers to their participation in Residential Solar. Reported barriers impacting prospective participants and Approved Vendors include participant unfamiliarity with solar power, distrust in marketers, language barriers, and a complex administrative process. The Program Administrator proposes this “Residential Solar Pilot” as a means to implement the approved “Program Delivery Pilot,” designed to reduce these barriers and to facilitate more uptake of Residential Solar in 1–4 unit homes.

The Residential Solar Pilot will take place in three selected communities, selecting Approved Vendors for participation in the pilot through a competitive Request for Proposals (RFP) process to serve each of the three areas. To evaluate the program delivery changes, this pilot is expected to run through Program Year 6 (the 2023-2024 program year) and is intended to test and evaluate ways to improve participation levels. The Program Administrator will assume the majority of the initial participant interactions and public outreach for the pilot and then the selected Approved Vendor(s) will install the solar projects and act as the sellers for the Renewable Energy Credit (REC) contracts. Following stakeholder feedback, the Illinois Power Agency (the Agency) and the Program Administrator will make the final decision on the pilot design and selected regions.

The pilot will be limited to Residential Solar (Small) projects generating RECs and will follow the same income-eligibility and consumer protection requirements of the Residential (Small) sub-program. The Agency will adjust the REC price to recognize the lower cost to Approved Vendors resulting from the Program Administrator taking on many of the upfront responsibilities but will gather stakeholder feedback before making this decision.

Overview of ILSFA Projects (Program Years 1-4)

There are 85 *Approved Vendors* registered with ILSFA. Of all Approved Vendors, 26 have energized and/or approved projects across the sub-programs for Program Years 1-4. Of those 26 Approved Vendors, 7 are identified as a MWBE and have had 12 total Community Solar and Nonprofit and Public Facilities projects approved.

RESIDENTIAL SOLAR (SMALL)

Three Approved Vendors have completed 222 1–4 unit Residential Solar (Small) projects between Program Years 1-4.

ILSFA-APPROVED AND/OR ENERGIZED RESIDENTIAL SOLAR (SMALL) PROJECTS BY REGIONS (PROGRAM YEARS 1-4)

Illinois Region	Number of Projects Approved and/or Energized
Cook	144
Northeast	53
Northwest	21
East Central	4
West Central	0
Southern	0

APPROVED VENDORS WITH ILSFA APPROVED AND/OR ENERGIZED RESIDENTIAL SOLAR (SMALL) PROJECTS (PROGRAM YEARS 1-4)

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Approved Vendor	Number of Projects Approved and/or Energized
Sunrun Installation Services Inc.	183
GRNE Solutions LLC	30
Certasun LLC	8
Total	222

ILSFA-APPROVED AND/OR ENERGIZED RESIDENTIAL SOLAR (SMALL) PROJECTS BY UTILITY TERRITORY (PROGRAM YEARS 1-4)

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Utility Territory	Number of Projects Approved and/or Energized
ComEd	218
Ameren	3
MidAmerican	1
Total	222

The average system capacity of all completed Residential Solar (Small) projects across Program Years 2-4¹ is 5.97 kW (AC). System sizes range between 1.92 kW (AC) to 14.88 kW (AC).

During ILSFA Program Years 1-4, there were 222 *Approved and/or Energized Residential Solar (Small) projects* completed by three Approved Vendors. As of January 19, 2023, of the Program Year 5 submission window, there are 66 *Residential Solar (Small) projects* submitted between three Approved Vendors. *Thirty-seven* projects have been submitted by Xolar Renewable Energy, *four* projects by GRNE Solutions LLC, and 25 projects by Sunrun Installation Services Inc.

Residential Pilot Program Timeline

Timeline Event	Date
Proposal Out for Comment	February 2, 2023
Proposal Webinar	February 8, 2023
Proposal Comments Due	February 15, 2023
Response to Comments Posted	February 24, 2023
Final Proposal Published	February 24, 2023
Communities Announced	March 10, 2023
Approved Vendor RFP Released	March 17, 2023
Approved Vendor RFP Proposals Due	April 28, 2023
Approved Vendors Selected and Announced	May 19, 2023
Marketing and Outreach Campaigns	April through October 2023
Participant List to Approved Vendors	Ongoing
Participant Signup Period	June through October 2023
Site Assessments Provided to Participants	June through December 8, 2023
Deadline for Participants' Signed Contracts	November 17, 2023
Installations Begin	After first participant contract
Goal for Installations Completed	June 2024

Methodology for Selection of Communities

The 2022 Long-Term Plan specifies the pilot will represent “one of the 77 community areas of Chicago, a suburban community, and a down-state community.” The ILSFA Program Administrator and the Illinois Power Agency are proposing that these areas be defined as one Chicago community area, a Cook County or Collar County suburban

¹ No Residential Solar (Small) projects were completed in Project Year 1.

Residential Pilot Program Roles

The Program Administrator currently operates in an administrative role to verify that solar projects meet program requirements and to ensure consumer protections and the delivery of RECs, as proposed. The Approved Vendor currently assumes the role of participant acquisition, public outreach, and income verification. The following table shows how this pilot will change the task allocation between the Program Administrator and the Approved Vendor.

ILSFA Program Administrator	Approved Vendor
Marketing and outreach	Provide and obtain signatures for disclosure form/participant contract
Participant recruitment	Some outreach and solar education
Income verification	Final site assessment and solar project design
Initial site suitability assessment	Part I application
Facilitate additional coordination with job training and placement programs and incorporation of energy efficiency measures	Part II application
	Installation (using job trainees)

Role of the Program Administrator

This pilot project will consolidate the participant interaction, public outreach, marketing, and income verification with the Program Administrator (rather than with the Approved Vendor) to reduce the costs incurred by the Approved Vendor and to foster increased participant education and support. The Program Administrator will provide support and guidance to both the customer and the Approved Vendor throughout the entire project application process, following the Illinois Commerce Commission’s Final Order approving the 2022 Long-Term Plan.

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Approved Vendor Role and Requirements

The Approved Vendor will be responsible for doing a full site assessment and solar project design. Based on the system design and the offer, the Approved Vendor will be responsible for completing and obtaining signatures for the disclosure form and participant contract. The Approved Vendor is also responsible for submitting Part I and Part II applications of the ILSFA project process.

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As a selected Approved Vendor, the solar company will have a short-term partnership with the Program Administrator to complete residential solar projects in accordance with their response to the RFP, their participant contract, and ILSFA program requirements.

The Approved Vendors will be selected through a competitive RFP process. Improving participation and capacity along with supporting small and emerging businesses are important goals of this pilot. The 2022 Long-Term Plan set a goal of prioritizing the involvement of “Small and Emerging”³ vendors to encourage business development, particularly for those located in income-eligible and environmental justice communities (Section 8.2.3). The agency also recognizes the importance of Minority/Women-owned Business Enterprises (MWBE) participating as ILSFA Approved Vendors and will continue to work with the Program Administrator to increase the number of MWBE Approved Vendors participating on ILSFA projects (Section 8.9). Considering these priorities, and to the extent permissible under relevant state law, the Program Administrator and the Agency will first score proposals from entities that are eligible as “Small and Emerging” or MWBEs. These vendors will need a minimum score of 70 points to be selected. If there is no proposal submitted by a vendor eligible as “Small and Emerging” or MWBE that meets the minimum score, only then will the Program Team begin to score proposals that are not eligible under either definition. This proposed selection structure is tentative and pending review for compliance with applicable state procurement law.

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In the event that the Program Administrator identifies more residents to participate in the pilot than a selected Approved Vendor indicated they had the capacity to complete in their RFP response, the Program Administrator reserves the right to call upon a vendor that applied but was not selected to complete that portion of projects. If this situation arises, the Program Administrator will call upon the next highest-scored vendor that serves that geography to step in and complete those additional identified solar projects. The Program Administrator reserves these rights to reduce the number of stranded participants.

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³ The Agency will use the federal SBA definition of “small,” based on annual revenues within the appropriate NAICS category: <https://www.sba.gov/federal-contracting/contracting-guide/size-standards>

The proposed eligibility and criteria for the RFP are listed below.

APPROVED VENDOR ELIGIBILITY

At a minimum, the solar company must be an Approved Vendor through the Adjustable Block Program. Applicants that are not Approved Vendors at the time of their RFP response submission will be expected to register and meet ILSFA requirements should they be approved to provide services in the pilot. (See Section 3 of the [Approved Vendor Manual](#) for requirements.)

Proof of Distributed Generation Installer Certification from the Illinois Commerce Commission, in the form of the Commission’s order in the certification docket granting the company’s certification, must be submitted by the applicant for their solar company or for their proposed sub-contraction/designee installer.

SELECTION CRITERIA

Category	Category Description	Total Section Score
Company Background and Capacity	Regions the proposing firm can and would like to work in; the firm’s history, experience, and capacity for projects; the firm’s capacity to complete work within the timeline	30
Commitment to the Community and Participants Community Commitment and Readiness	Community involvement and experience in the community, particularly experience working with income-eligible and/or environmental justice communities; ability to provide support and resources for ineligible participants; commitment to following consumer protection handbook and examples of customer service; <u>building trust with the community; plan to continue work in the community following the pilot</u>	30
Company Offer	Offer type; providing a sample participant contract; listing expected participant savings and costs	20
Plan to Work with the ILSFA Program Administrator	Giving example of current data tracking capabilities and systems used; plan for maintaining communications with the Program	15

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	Administrator and participants; description of plan for managing and responding to participant complaints	
Plan to Employ Job Trainees	Description of plan to find, hire, and employ job trainees from a qualified job training program	5
Total Possible Points		100

RENEWABLE ENERGY CREDITS

The Renewable Energy Credit Agreement (REC contract) is between the Approved Vendor and the utility counterparty or the Agency. The REC contract is executed once between counterparties and establishes the agreed framework for contracting and delivering RECs across multiple contracts and projects. The Agency will update REC prices for this program based on stakeholder feedback.

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REC Price

The current REC Pricing Model includes a 100% increase in development costs and fees for Residential Solar (Small) projects in ILSFA compared to the Adjustable Block Program. Following stakeholder comment, the Program Team will adjust the REC price for the central and southern Pilot community area to a 95% increase. The Program Team will adjust the REC price for the Chicago community area and the Cook County or Collar county suburban municipality to an 80% increase.

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Role of Grassroots Educators

The success of this pilot hinges on participant awareness of the pilot offer and their trust in the program. Grassroots Educators, as trusted community resources, can provide crucial resident engagement to help the pilot succeed.

All Grassroots Educators operating within the selected pilot communities can share information on the pilot with prospective participants and can help participants navigate the pilot as a part of their outreach work under their current contracts. Another critical role Grassroots Educators can play in the pilot under their current contracts is to convey participant concerns and complaints to the Program Administrator, a function of Grassroots Educators that is especially necessary with new Approved Vendors and offers.

As a part of this proposal, the Program Administrator recommends adding a new focus area centered on pilot geographies and demographics to the next Grassroots Education RFP to support the success of the pilot.

Home Repairs and Upgrades Pilot

The 2022 Long-Term Plan outlines the Home Repairs and Upgrades Pilot to address the need for home repairs and electrical upgrades among many participants eligible for Residential Solar (Small) sub-program installations through ILSFA. The Agency recognizes that income-eligible residents are more likely to face this high cost of repairs, creating a barrier to participation. The Home Repairs and Upgrades Pilot will provide incentives to complete the necessary upgrades to install solar projects on homes that are eligible for the Residential Solar (Small) sub-program. The Program Administrator will release a plan for that pilot in the coming months.

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The Home Repairs and Upgrades Pilot will be available for use within the Residential Solar Pilot, dependent upon the applications for funds across the ILSFA Residential Solar programs and the capacity of the Home Repairs and Upgrades Pilot.

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Funding and Budget

This pilot will function under the Residential Solar (Small) sub-program, receiving part of that annual budget. Program Year 5 has allocated \$27,377,726 to the Residential Solar (Small) sub-program.

The Program Administrator suggests setting an estimated goal of 50 to 100 total solar installations within each of the three community geographies.