

To: The Illinois Power Agency, IPA.contactus@illinois.gov

From: Kim Knowles and Members of the Illinois Solar for All Working Group

Date: May 24, 2023

Re: Stakeholder feedback on the Illinois Solar for All Home Repairs and Upgrades Pilot

The following members of the Illinois Solar for All (ILSfA) Working Group are pleased to deliver the below comments in response to the Home Repairs and Upgrades Pilot proposal.

We make these recommendations and comments to ensure high-quality implementation for Illinois communities. Communities throughout Illinois need the opportunities and services the ILSfA 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.

Signatories include:

A Just Harvest

Central Road Energy

Citizens Utility Board

Greenlink Solar Solutions

Illinois Environmental Council

Illinois Solar Energy and Storage Association

Illinois People's Action

Little Village Environmental Justice Organization

Seven Generations Ahead

Sustain Rockford

Vote Solar

The Working Group greatly appreciates the effort and ideas put forth by the Agency and the Illinois Solar for All Program Administrator and the openness the two agencies have shown regarding receiving input on its design. We think the program, with some adjustments, has the potential to help remove barriers for income eligible homeowners and to increase AV uptake in the Residential (Small) subprogram

We see two major challenges with the program as proposed. First, since its inception, there has been very little uptake in the residential subprogram by Approved Vendors. Although the number of applications may soon be exponentially higher, the number of AVs operating in the space remains unfortunately low. We understand there are a number of reasons for this, including (but not limited to) a steep learning curve, a high administrative burden, and long wait times for Part I and II approval. The proposed program adds additional responsibilities onto Approved Vendors and an increased risk of financial loss due to: 1) more paperwork, 2) additional customer acquisition and subcontractor duties, 3) likely additional delays in REC payments, and 4) risk of unrecoverable roofing repair costs. We fear these additional burdens will not entice new AVs into the subprogram and that the additional support will be realized mainly by well-established and well-resourced companies. While the proposal states that the

“Pilot’s primary goal is to improve [homeowner] participation in the Residential Solar (Small) subprogram”, we’ve seen how homeowners are not well served when very few AVs dominate the subprogram.

Given these historical challenges, we suggest the IPA and Elevate explore the feasibility of designing a contractor network akin to the network of energy efficiency contractors administered by Elevate, and to assign responsibility of the IL Solar for All home repair and upgrade contractor network to the Program Administrator. We envision the Program Administrator vetting the contractors, assigning them to IL Solar for All projects, paying the contractors (subject to program caps and the ICC-approved REC adder) and then ultimately deducting such payment from the AV’s REC payment upon energization. The Agency could also explore paying the AV the REC adder when the repair work is completed so that the AV could then pay the contractor. An additional benefit of this approach would be reducing the risk of misuse of program funds by the roofing industry. We recommend that the Program Administrator coordinate with the [Chicago Home Repair Program](#) to build out a contractor network in the Chicago region.

The second challenge regards the uncertainty around roof repairs and the financial risk this poses for AVs. We discuss this further below.

1. *The Program Team is proposing two categories of expected cost caps for electrical repairs and roof repairs. The proposed cost caps are \$4,000 for electrical upgrade costs and \$8,000 for roof repair costs.*
  - a. *Should the Program Team use these two categories of expected maximum costs for the Pilot? Why or why not?*

We support the \$4,000 cap on the electrical upgrade costs but are concerned that the \$8,000 in roof repairs may not be adequate. Based on our discussions with installers, the most common electrical work required to upgrade homes to be solar-ready includes service panel upgrades and/or grounding. Both of these issues are readily diagnosed, and the scope and costs readily determined. Some installers are qualified to self-perform this work, and thus will not require subcontracting and coordination of an additional trade for the installation process. One installer informed us that they had to reject a significant number of homes due to the electrical upgrades needed, and that the proposed electrical coverage would make these projects viable.

We have spoken with Approved Vendors, roofers, and a residential construction manager about the roof repair proposal. Each has expressed concern regarding the \$8,000 cap given the inherent uncertainties in roof damages and repair, even if we are only considering a roof plane repair or replacement. As the Agency and PA have heard, the challenge with roof repairs is that there is no way to know the full scope of work until the shingles and membrane underlayment are removed.

If the roof has been leaking, the roof decking and trusses can be rotted and the flashing and/or insulation can be damaged. Hail damage, which is not always apparent from a visual inspection, can break the backing on shingles leaving rotten wood underneath. There also may be two or three layers of shingles to remove, and higher and steeper roofs are typically more expensive to repair. The risk of discovering additional problems can be high, particularly in lower income and older homes where regular maintenance may not have occurred.

If an issue beyond shingle and membrane replacement is discovered, the additional repairs must be completed as the contractor and the AV cannot leave a roof unrepaired. Roof repair costs can balloon quickly and are outside the control of the AV or installer. The AVs and installers we talked to thought that \$8,000 is a reasonable cost for shingle and membrane replacement but did not want to take the risk that the roof might require additional repairs. They thought that a \$12,000 roof repair cap could reduce risk enough to participate in the program.

We recommend the program maintain a default cap of \$8000 for roof plane repairs but allow up to \$12,000 upon a well-documented showing of need.

*b. Should the cost caps be adjusted for either of the two categories? If yes, what should they be adjusted to, and what is your basis for recommending this adjustment?*

Please see the response to Question 1.a.

*c. Should Pilot-participating projects be allowed to access funds to support both roof and electrical upgrades, maintaining the electrical and roof repair caps for a total possible additional incentive of \$12,000, or should Pilot projects only access additional incentives to support either electrical or roof repair costs, which could potentially extend availability of funding to reach additional participants?*

We suggest allocating sixty percent (60%) of the proposed Home Repair and Upgrade budget to electrical repairs and forty percent (40%) to roofing repairs, as we suspect that electrical repairs will be the most popular repair/upgrade and have the most “bang for the buck” impact on the program. Allowing a portion of the budget to be used for roofing will provide us with data about the willingness of AVs to take on the work and risks associated with roof repairs and the actual costs of the repairs that occur in these types of homes. We advocate allowing a project to access funds to support both electrical and roofing issues for this first phase of the Pilot.

- 2. This Pilot will provide incentives to support electrical and roof repairs necessary to complete an on-site solar installation. Types of repairs eligible under this Pilot will be predetermined and approved by the Program Team. Eligible repairs are reflected on the Home Repairs and Upgrades Reference List document, including a maximum cost for each repair type allowed under the Pilot. This list is not exhaustive and will not cover all electrical and roofing repair needs of a home.*

*Are there electrical or roof repair items necessary to complete an on-site solar installation that should be included in the Reference List as eligible for funding under this Pilot? If yes, which repairs should be included and why?*

We support the proposed list of approved repairs and the Home Repairs and Upgrades Pilot Reference List form with an upward adjustment of the roofing repair cap. Photo and other documentation should be submitted with the Part 1 Application. Once the Part 1 is approved, the maximum potential costs for the upgrades can be subtracted from the Home Repairs and Upgrades Pilot budget. The proof of repairs should be submitted with the Part 2 Application and any unused repair allocation or unearned RECs returned to the Home Repairs and Upgrades Pilot program budget.

*Are there maximum costs for electrical or roof repair items in the Reference List that should be adjusted? If yes, what should they be adjusted to, and what is your basis for recommending this adjustment?*

We recommend using a default cap of \$8,000 for roof repairs with an allowance up to \$12,000/project with a strong demonstration of need, perhaps based on age of roof, number of layers of shingles, age and condition of house, some evidence of unaddressed hail damage, or other demonstrated problems. Our recommendation is based on feedback we have received from Approved Vendors, roofers, installers and a residential construction manager with a Habitat for Humanity organization that has its own home repair program. In addition, according to these sources, roof repair in Illinois ranges from \$450/square to \$1,000/square (or \$4.50/sq.ft. to \$10.00/sq.ft) causing us to question the \$200/sq.ft. figure proposed by the Agency.

- 3. The Program Team expects work funded through this Pilot to adhere to high professional standards and include adequate warranty coverage for the work to protect the consumers benefiting from the repairs. The Program Team has proposed a minimum warranty period of 10 years for electrical repairs or panel upgrades and 20 years for roof repairs for projects receiving Pilot funding.*

*What minimum warranty coverages and durations should be required for electrical repairs?*

Based on webinar feedback, we believe that a 1 year warranty on labor is appropriate. The Agency may want to specify minimum material warranties for this pilot.

*What minimum warranty coverages and durations should be required for roofing repairs?*

Based on webinar feedback, we believe that a 1 year warranty on labor is appropriate. The Agency may want to specify minimum material warranties for this pilot.

4. *The Program Team has proposed the following minimum insurance requirements for contractor eligibility:*

- *Workers Compensation Insurance – following Illinois statutory limits*
- *Commercial General Liability - \$1,000,000 per occurrence/\$2,000,000 in the aggregate*
- *Auto Liability Insurance for owned, non-owned, and hired vehicles - \$1,000,000 per occurrence/\$2,000,000 in the aggregate*

*Should the Program Team adjust the above minimum required insurance coverage for a contractor to participate in this Pilot? Why or why not?*

Based on comments made during the pilot webinar, we understand that auto liability insurance for small contractors can be very expensive and fear this may keep smaller or emerging contractors out of this program. Perhaps an adjustment to the minimum coverage could be made here.

5. *This Pilot will require additional consumer protections to minimize the risk to participants interacting with the Approved Vendors and contractors. The Program Team has proposed the Approved Vendor or contractor provide an installation schedule to participants illustrating on-site workdays, maintaining timely communications with the homeowner when there are updates to the repair timeline and a requirement for the Approved Vendor to provide the homeowner with all documentation, warranty, and contact information following the repairs. Are there additional consumer protections that should be included in this Pilot?*

We recommend the Program Administrator assume this role as discussed above. Contractors are often difficult to work with, can be slow to respond and often do not meet scheduled deadlines. A contractor network system could result in more timeliness from contractors who value the opportunities presented by membership in the network.

In addition, we recommend collecting feedback from customer participants with some additional incentive for participation in a survey or interview, such as a \$25 gift card.

Additional comments regarding the proposed REC adder

Should the IPA determine that a contractor network administered by the Program Administrator is not feasible at this time, we suggest an amendment to the REC adder to include the carrying costs associated with the additional delay in receiving REC payment. There is a cost burden to the AV resulting from the time between when the electrical/roofing subcontractor is paid and when the REC (and REC Home Repair adder) is paid. Repair work will also complicate the Part 2 paperwork and review process, further increasing the time between Part 1 approval and REC payment. We are especially concerned about the financial impact this may have on small/emerging AVs who cannot self-perform the necessary repairs. We ask that the Agency estimate these carrying costs and incorporate those costs into the REC Home Repair adder price.

## Questions for Stakeholder Feedback

From: GRNE

1. The Program Team is proposing two categories of expected cost caps for electrical repairs and roof repairs. The proposed cost caps are \$4,000 for electrical upgrade costs and \$8,000 for roof repair costs.

**a. Should the Program Team use these two categories of expected maximum costs for the Pilot? Why or why not?**

We certainly see the need for both categories frequently, but we also unfortunately see the need for *more* categories.

Example: A customer signs up for a system split 50/50 between their detached garage and house. They've got an out-of-date electrical service, 15 y/o roof on the house, 20 y/o roof on the garage, and all cement/asphalt surrounding the 2 structures. Pouring new cement/asphalt to backfill a trench likely falls under cement/masonry yet is required to conceal electrical conduit/trenching and is very costly. An alternative method to trench through soil is an option, but if there are environmental obstacles such as trees or pipelines, removal/rerouting is also very costly.

**b. Should the cost caps be adjusted for either of the two categories? If yes, what should they be adjusted to, and what is your basis for recommending this adjustment?**

It is very difficult to set a cost cap for work like this considering the need to work with 3rd Party Contractors and the incredibly varying states of homes eligible for the ILSFA program. **Will the registered Contractors have pricing requirements?**

Costs can vary greatly depending on the area, the home itself, the availability of workers, the materials needed, the work needed to prepare the site for the repairs, etc. These cost caps also only seem to cover the actual labor itself, and not the initial administrative work. The Approved Vendor would not be getting compensated for the extra work we would be doing to get a project set up under this Pilot Program.

**c. Should Pilot-participating projects be allowed to access funds to support both roof and electrical upgrades, maintaining the electrical and roof repair caps for a total possible additional incentive of \$12,000, or should Pilot projects only access additional incentives to support either electrical or roof repair costs, which could potentially extend availability of funding to reach additional participants?**

Projects should be able to access both categories. What we often tend to see, is if a home is not up to standard in one area, issues will also exist throughout the rest of the home due to the general age of the home itself/the area that the home is in.

2. This Pilot will provide incentives to support electrical and roof repairs necessary to complete an on-site solar installation. Types of repairs eligible under this Pilot will be predetermined and approved by the Program Team. Eligible repairs are reflected

on the Home Repairs and Upgrades Reference List document, including a maximum cost for each repair type allowed under the Pilot. This list is not exhaustive and will not cover all electrical and roofing repair needs of a home.

**a. Are there electrical or roof repair items necessary to complete an on-site solar installation that should be included in the Reference List as eligible for funding under this Pilot? If yes, which repairs should be included and why?**

See example above in answer (1a)

5. This Pilot will require additional consumer protections to minimize the risk to participants interacting with the Approved Vendors and contractors. The Program Team has proposed the Approved Vendor or contractor provide an installation schedule to participants illustrating on-site workdays, maintaining timely communications with the homeowner when there are updates to the repair timeline and a requirement for the Approved Vendor to provide the homeowner with all documentation, warranty, and contact information following the repairs.

**Are there additional consumer protections that should be included in this Pilot?**

We believe that this Pilot Program sways heavily in favor of the customer with no negative effects for them considering the need for a registered contractor, the proposed requirements for warranties, and the Approved Vendor taking on the brunt of the administrative work/financial risk.

In this same vein, this may be a difficult Pilot for Approved Vendors to want to take part in. Some of the issues we see on our own end, and issues that will lead to low participation are the following:

1. With the Program requirement of “No upfront costs” we’ve struggled with ILSFA project cancellations and being unable to recoup costs from those projects. How this Pilot Program is laid out could lead to the Approved Vendor being even deeper into a financial hole when/if customers cancel. We could do quite a bit of legwork to evaluate the site, hire contractors, file the necessary documentation, schedule the work, even have the work done, and if the customer decided to cancel the project at *any* point in that process, we’d be eating the (now) high extra costs and administrative time. Especially considering these payments for home repairs are being added to REC payments *after* a project is energized, the cost associated with something like this getting cancelled could be detrimental.

2. This will further extend timelines for ILSFA projects.

- More stringent evaluation will need to be done on the front end *prior* to Part I Submittal to ensure that we not only know the full scope of the work, but also know the full extent of costs associated.

- ILSFA Part I Verification will take longer if the ILSFA team plans to first evaluate outside sources of assistance, and *then* goes through the process of evaluating the work.

- Time between Part I Verification and Installation/Part II Submittal will be extended due to the time needed to perform the necessary work. **Will “Scheduled Energization” timelines be extended when a project is selected for this work?**

3. With the requirements of the Approved Vendor and the cost caps, we could only see this as beneficial if we could estimate (and be certain) that the work would be *below or equal* to the cost caps and would still not want to work on projects that could exceed that cost in any way or even *seem* like they may exceed those expected costs.



If we agreed to take on a project that is in need of repairs, we would have to do extensive work on the front end to ensure the cost/time/scope of the work needed. Since funds cannot exceed Part I Submittal, we would want to be **entirely certain** of these aspects *prior* to even knowing if an ILSFA project will be approved. That, combined with the requirement of Approved Vendors covering all costs and expenses that exceed the cost cap *or* the originally expected work, would make it very difficult for us to financially model these projects on the front end to ensure that they are feasible for us to do.

4. Like eligibility for the ILSFA Program in general, acceptance and approval for these funds is not guaranteed, adding another layer of risk and customer frustration. If we sign an installation contract with a customer and do the legwork to establish the need/filing for this pilot program, but the project is not selected for the funds for any reason then we will be forced to back out of the contract and consider the project unfeasible. Considering the extra time that preparing and filing for this pilot program will take, this could lead to a customer waiting months only to find out that we cannot install solar on their home. **Would Approved Vendors be granted reasonable leniency from any customer complaints that may arise from this?**

**Considering the incredibly high standards for Consumer Protections, but very little balance with Approved Vendor protections, we would only see this Pilot Program as a way to assist us in the work we are already currently financially covering (minimal upgrades) but would not see this Pilot Program as a way of opening up site feasibility to projects that are currently being turned down.**

## **BIG Response To Request For Comments**

From: Naomi Davis

To: Illinois Solar Comments <comments@illinoissfa.com>

Wed 5/24/2023 4:55 PM

Response of Blacks In Green in Response to Request for Comments Illinois Solar for All Home Repairs and Upgrades Pilot

Blacks in Green (BIG) is an organization that envisions, leads, promotes and implements several initiatives central to ensuring and securing a vibrant and robust Clean Energy Future for Illinois' under-resourced communities, with a focus on Black communities. BIG's work is under the leadership of Executive Director Naomi Davis, an urban theorist, attorney, activist, and proud granddaughter of Mississippi sharecroppers. BIG serves as a bridge and catalyst among communities and their stakeholders in the design and development of sustainable, healthy, connected and economically vibrant communities. Securing a clean energy future with affordable rates and the fair and equitable distribution of utility service is integral to BIG's vision and work.

BIG is pleased to present the following comments to the Illinois Power Authority (IPA) and ILSFA, Program Administrator of the Home Repairs and Upgrades Pilot referenced at caption. BIG's key comments are summarized below:

1. We believe that the pilot is a step in the right direction, in that it recognizes the barriers faced by low income customers to better access solar as a form of clean, renewable energy and potentially greater energy affordability. However, we continue to call for a foundational study based on a representative sample of Illinois homes to better understand both the physical/mechanical conditions in the homes of the relevant customer base and the true costs associated with ameliorating these conditions.
2. The proposal of up to \$12,000 total for approved upgrades (\$4K for electrical upgrades and \$8K for roof repairs) also constitutes a positive step since some funding toward home repairs to address access to solar power is better than none. However, in our team's experience with, and drawing on the knowledge and expertise of our Green Power Alliance members, we believe that these caps fall short of the actual costs that will be seen as the program is implemented. We believe that as currently constituted, the \$12K, total cap may only help improve access for a limited number of income eligible homeowners and may require additional customer expenditures, from customers who may not have the disposable income to close the gap.
3. Although other programs exist to improve access to income eligible customers who are not homeowners or live in multifamily dwelling types, we believe that to better improve energy access to that group of Illinoisians, alternative programming solutions must be designed and funded to meet those unmet needs.

We appreciate the opportunity to provide comments and look forward to continuing the conversation.

Naomi Davis