

To: Illinois Power Agency
From: MeLena Hessel, Environmental Law & Policy Center
& Participants in the Illinois Solar for All Working Group
Date: 02/07/2019
Re: Illinois Solar for All Working Group Comments on Third-Party Evaluation for Illinois Solar for All

Dear Illinois Power Agency:

The Illinois Solar for All Working Group is pleased to deliver the enclosed comments on the Third-Party Evaluation for the Illinois Solar for All Program. 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. Over 75 participants include representatives from the following organizations and others:

BIG: Blacks in Green	Natural Resources Defense Council
Central Road Energy LLC	ONE Northside
Environmental Law & Policy Center	Seven Generations Ahead
Illinois Environmental Council	Sierra Club Illinois
Illinois Sustainable Technology Center	The People's Lobby
Little Village Environmental Justice Organization	Trajectory Energy

Working Group Process

The Working Group began convening in January 2017, and has had monthly full-group meetings until the present time. In tandem, the Working Group operates with sub-teams that focus on specific areas relevant to the policies at hand and future work on the program. These sub-teams include: Program Administration & Evaluation, Consumer Protection & Financing, Education & Engagement, Job Training, and Project Workshop. Each sub-team was facilitated by leads and co-leads and meets between monthly full-group meetings with frequency depending on the time of year.

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 submitted comments on: Community Solar Consumer Protection & Marketing Guidelines Draft Documents and Illinois Adjustable Block Program Draft Guidebook to InClima on December 10, 2018; Grassroots Education and Approved Vendor components of IL Solar for All on January 9, 2019; as well as Environmental Justice provisions of IL Solar for All on January 30, 2019.

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*⁴ 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 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

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

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. 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.

The Illinois Solar for All Working Group appreciates this opportunity to provide comments on the Third-Party Program Evaluation of the Illinois Solar for All Program and the Program Administrator. The Working Group appreciates the critical thought that is reflected in the evaluation proposal put forward and, in particular, the emphasis placed on stakeholder input. A thoughtful and effective evaluation process will be key to ensuring that the Illinois Solar for All Program is delivering on its intended benefits, over the long-term. Below the Working Group shares a few overarching comments with regard to program evaluation before turning to the specific questions on which the Illinois Power Agency (IPA) has asked for feedback.

It is important to give new programs the time to develop and, if they are struggling, the chance to cure deficiencies/address barriers *before* shifting funds. One of the roles of the evaluation process will be to help the IPA determine whether it is appropriate to shift funds between Solar for All sub-programs over time. This consideration is appropriate to ensure successful sub-programs have the resources needed and resources are not wasted in the event some sub-programs are not successful, but:

- (1) *Only* after enough time has passed both for each sub-program to get up and running - in particular the community solar sub-program may require more time before a full evaluation can be performed, given that initial projects may not be up and running before 2020.
- (2) *And* after enough time for sub-programs to cure deficiencies and address barriers, in the event challenges arrive. The IPA may want to consider utilizing performance-based management to ensure ongoing monitoring and the timely reporting of deficiencies to the Administrator and Approved Vendors so that barriers can be identified and deficiencies addressed quickly.

Furthermore if the barriers to sub-program success are external - for example relating to interconnection or job training programs - the IPA should first actively work to remove those barriers before shifting funds.

While the job training programs are separate from the Illinois Solar for All Program (ILSFA), ILSFA success is still predicated upon coordination with the job training programs, so the evaluation will have to straddle this distinction. For the Illinois Solar for All Program to be successful it will not only have to deploy solar and drive attendant benefits to Illinois' low-income and environmental justice communities, but it must also drive jobs and job training opportunities to key members of those communities, including, in particular, communities of color. Any full evaluation will have to look at all aspects of how the job pipeline is working to fully evaluate program success, including, potentially, challenges related to job training that are outside of the IPA's and its Program Administrator's control. While not all challenges will be solvable by IPA or its Program Administrator, they cannot be solved unless they are identified through the evaluation process.

Feedback Questions

- 1) Are there additional or different ways to add granularity to the evaluation, and what additional data collection would be required?**

The Working Group supports the breakdowns and granularity proposed by the IPA. Additionally, the Working Group notes that there may be important difference between rural, suburban, and urban areas, which are worth being aware of and flagging when looking at deployment across geographic regions. Furthermore the IPA may want to consider whether it relevant to consider homeowners vs. renters as another breakdown.

Additionally, when the time comes to consider program performance across Environmental Justice (EJ) communities, the evaluator should examine the EJ scores of the communities to which projects/funds were directed. This step will allow the evaluator to determine whether resources flowed to a wide array of EJ communities and, in particular, to the EJ communities with the highest EJ scores, representing highest cumulative burdens.

2) How should “low-income community” be defined for this evaluation; for example: geographic areas with a density of 50% of households that are 80% AMI or greater.

When it comes to low-income communities, key issues will include (1) whether those low-income communities that are *not* environmental justice communities are being served and (2) whether the program is effectively serving all levels of the low-income population and not just “creaming” the highest-income, low-income households. The former question will require mapping - similar to the mapping to identify Environmental Justice communities but exclusively for low income communities, while the latter may instead involve looking at different segments of the low-income population across households being served.

As it relates to mapping, the Evaluator should consider looking at multiple definitions of low-income rather than limiting the approach to just one factor (e.g. 50% of households with 80% AMI or *lower*). HUD definitions may also be helpful as may some variables taken into account in the Environmental Justice community mapping. Other factors to consider include high unemployment, large job losses, educational achievement, and housing stock.

Furthermore, it is difficult to comment on whether 50% is the right density cutoff when thinking about low-income neighborhoods without understanding how many geographies that does or does not capture. The evaluator should look at multiple potential cutoffs to understand the differences between them and make a judgment call on which cutoff best identifies low-income areas. The Working Group recommends that the results of the mapping be viewed critically with the goal that the level of granularity should be localized as much as possible. We make that recommendation because of complexities throughout the state. For instance, to only view averages or medians in certain neighborhoods in Chicago is misleading because gentrification is occurring rapidly in many neighborhoods in the city. For instance in Pilsen and Little Village there are new owners who are very wealthy living in close proximity to long-term residents who are low-income. Thus it is especially important that the income data in changing neighborhoods is viewed with a close lens. This may be an area where the IPA could take additional stakeholder comments, after doing some preliminary mapping.

3) How should “energy burden” be defined?

Energy burden is generally understood to be the ratio of energy bills to household income. It typically includes both heat and electricity and often other fuel costs as well (data available from the Census Bureau). There is also clear spatial and socioeconomic variation to energy burden, as demonstrated in a [recent report](#) from the American Council for an Energy Efficient Economy that examined energy burden across large US metro areas. The Working Group expects this variation to persist within Illinois, given the large size of the state, differences in housing stock, utilities, urban vs. rural areas, etc.

4) What data will be needed on household income and historical energy use?

Generally speaking, the Illinois Solar for All Program will only be able to impact the electricity portion of a household's energy bill, not gas or any other fuel costs, even though these costs are part of the energy burden calculation. Furthermore requesting data can sometimes create disincentives to program participation. Therefore the IPA, Solar for All Program Administrator, and Evaluator should carefully weigh what data is actually needed to evaluate the program and how to accurately report on the impact the program is having where data is not available/needed.

5) What other "objective criteria" should be evaluated?

As discussed above, the job outcomes that flow from the Illinois Solar for All Program to job training participants and targeted communities are key to the program's success. Therefore, in addition to the jobs metrics proposed, the Working Group recommends considering collecting data on wages/salary, jobs across the solar workforce (i.e. not just installation, but also sales, system design, general construction/trades, etc.), and coordination between solar companies and job training providers.

The evaluation should also consider the effectiveness of grassroots education and related coordination efforts undertaken by the Program Administrator to connect folks with both job training and solar opportunities.

Missing from the criteria proposed by the IPA is any consideration of ownership/ownership shares of the solar deployed. Gaining ownership of one's own energy assets and thus long-term control and financial stability related to energy costs is a key interest for some members of low-income and environmental justice communities. This interest is reflected in the requirement that the community-solar sub-program include projects that are owned by participants. Therefore the IPA should add criteria that can help measure this objective.

Finally, the evaluation should also try to measure non-energy benefits the flow from participation in these programs. Environmental and financial benefits are some of the key non-energy benefits accrued, but they may not be the extent of such benefits. This may be an area that warrants exploration through interviews and focus groups to explore what other non-energy benefits participants experience, such as an increase in community pride or other measures for wellbeing.

6) How should Program Administrator performance be evaluated?

It is vitally important that the effectiveness of the Program Administrator be evaluated by the outcomes of the work they do and not just by how little money they spend. Current metrics proposed involve only cost effectiveness. This is clearly inadequate. The Program Administrator plays a critical role and one of the most important is how they coordinate with and between all relevant parties. In addition to the other outcomes already being measured related to performance and jobs, the Working Group recommends that the evaluator consider:

- The success of outreach undertaken by the Program Administrator, including engagement with community groups and stakeholders through both stakeholder sessions and comments received.
- Program Administrator work with program vendors to educate them on criteria and measurements of success as well as work with struggling or non-compliant vendors to inform and support their path back to compliance.
- Surveys of Approved Vendors regarding their experience with the Program Administrator.

Ultimately, it is important that the evaluation of the Program Administrator capture the creativity, flexibility and analytic skills of the Program Administrator and their staff. This is particularly important when evaluating a brand new program which will face many challenges particularly in the earlier stages of implementation.

7) What should be key qualification requirements?

- a) There is a large pool of evaluators for energy efficiency programs. To what extent is that experience transferable?**
- b) Should experience specifically evaluating low-income energy programs be required?**
- c) Should we require experience specifically evaluating solar programs?**
- d) How important is prior evaluation experience in Illinois?**

The ideal evaluator would have experience with low-income and environmental justice programs, with solar programs, with jobs programs, and in Illinois. However given how new the Adjustable Block and Solar for All Programs are and how few low-income solar programs there are, at all, nationally, this ideal is *highly* unlikely. Having experience with low-income/EJ communities and energy programs are probably the absolute bottom line when it comes to evaluation, although the IPA may want to consider whether some experience, if not extensive experience, with solar is also relevant as a baseline requirement. Also important will be having experience in public participation process and community engagement. Finally, the Working Group urges the IPA to consider what qualifications/experience will be relevant to evaluating the jobs outcomes that are required from the Illinois Solar for All Program.

8) Should there be a second workshop to discuss initial feedback prior to issuing the Request for Qualifications?

9) What should be the focus/priority between evaluation approaches that include additional qualitative research (e.g., field interviews) versus analyzing data collected as part of regular program operations?

Qualitative feedback gathered through interviews, focus groups, etc., will be important to getting a full picture of how well the various sub-programs are working, whether they are achieving desired outcomes, and what barriers are holding them back. This includes feedback from Approved Vendors/related solar companies, program participants, and eligible non-participants.

10) How should the desire to evaluate many topics be balanced with the commensurate increase in the cost of conducting the evaluation?

11) What should be expected for evaluation of the initial program opening in spring 2019 versus a full biennial evaluation? (Note the Long-Term Plan will be updated during summer 2019.)

The Illinois Solar for All Program is launching in spring 2019, so a spring 2019 evaluation would be too early to reasonably evaluate programs. At the same time there is a great deal of interest in the Solar for All Program and desire for information as the program rolls out. Furthermore there will have been a large amount of work put into the program by the Program Administrator and the IPA to get the program up and running. Given this, the Working Group recommends that the initial evaluation concentrate on this initial work and stakeholder outreach, but also attempt to share any summary information regarding program roll-out that is not shared via the program dashboard, particularly as it relates to issues that will be covered in the evaluation.