April 2, 2019

[Commenter 1]
[Commenter 1 Address]

Re: Illinois Solar For All – **REC Contract Comments**

[Commenter 1] appreciates the opportunity to provide comments on the Renewable Energy Credit (REC) Contract released for review on March 25, 2019.

While the final consumer protections have not yet been released, presumably such guidelines, consistent with the consumer protection guidelines released for ILSFA Distributed Generation projects and with the consumer protection guidelines released for the Adjustable Block Program, will allow for the Anchor Tenant to cancel their subscription agreement with the Approved Vendor under certain circumstances. There are a variety of reasons why an Anchor Tenant would cancel their agreement with the Approved Vendor – a decision to procure on-site renewables, a significant change in business activities, even a change of management that results in a different energy procurement strategy. It would be incongruous to allow the Anchor Tenant to terminate their subscription agreement without allowing the Approved Vendor the parallel ability to replace the Anchor Tenant in the event of such termination. However, as currently drafted, the Anchor Tenant could not be replaced in any of the situations identified above.

There is no policy reason to prevent replacement of the Anchor Tenant, and preventing such replacement harms the Approved Vendor, potential community subscribers, and a prospective Anchor Tenant who would like to support an Illinois Solar for All Community Solar Project. The Approved Vendor is harmed because it will be more difficult to secure financing and offer the best possible discount to community subscribers if project finance partners cannot underwrite based on predictable Anchor Tenant subscription revenues. Any discretion on behalf of the IPA, and in particular discretion limiting the replacement of the Anchor Tenant to certain unlikely events, will reduce the comfort of financing parties, result in worse financial terms for the Approved Vendor, and as a result, potentially decrease the savings that can be passed along to customers. In addition, a prospective replacement Anchor Tenant will not be able to support the project and replace the original Anchor Tenant.

Accordingly, we recommend that the language describing the opportunity to change the Anchor Tenant in Section 5(f)(v) be revised as follows:

(v) Seller may **notify the IPA** of ~~request for~~ a change of the Anchor Tenant by written ~~request and~~ submission of acceptable documentation to the IPA. ~~Requests for a change of the Anchor Tenant may be granted under limited circumstances, including the death of the Anchor Tenant (if an individual), the winding-down or dissolution of the Anchor Tenant (if an organization), if the Anchor Tenant or its parent becomes Bankrupt, or if the Anchor Tenant's annual electricity usage is reduced by 50%~~.

Anchor Tenants play an important role in implementing an ILSFA Community Solar project. We believe it is important to allow a change in Anchor Tenants commensurate with the ability to change a regular customer subscription.

Thank you for your consideration.

To: Illinois Power Agency
From: [Commenter 2]

Date: 04/02/2019
Re: [Commenter 2] Comments on Low-Income Community Solar Project and Participant Eligibility and the REC Contract

---

Dear Illinois Power Agency:

[Commenter 2] is pleased to deliver the enclosed comments on the Low- Income Community Solar REC contract. [redacted]. This memo proviedes an overview of [Commenter 2].

Background: [Commenter 2]
[redacted].

[Commenter 2] Process

[redacted].

Program Principles for Illinois Solar for All

During the negotiation of FEJA, [redacted] 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 [redacted]; and ultimately adopted by [Commenter 2]. 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.

---

[1] [redacted]
[2] [redacted]
[3] [redacted]
[4] www.lowincomesolar.org

• **Sustainability and Flexibility**. Encourages long-term market development, and will be flexible to 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.

[Commenter 2] 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 [redacted]. These contents reflect extensive deliberation regarding aspects that [Commenter 2] 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.

Dear Elevate Energy Administrative Team for the Illinois Solar for All Program:

[Commenter 2] appreciates this opportunity to provide comments on the Project and Participant Eligibility components of the Illinois Solar for All program proposed in presentations and stakeholder sessions hosted by Elevate Energy (hereinafter the "Administrator"). It is clear that the program administration team has put a great deal of care into incorporation of various requirements and goals aimed at ensuring high quality and well-monitored integration of workforce development with the incentive provision functions of the program. These comments are intended to provide guidance and feedback on how [Commenter 2] (hereinafter [Commenter 2]) views the key considerations, best practices, and outstanding questions for administration of the Project and Participant Eligibility and Verification provisions of Illinois Solar for All. [Commenter 2] agrees that the program should strive to deliver meaningful programmatic opportunities for low-income and environmental justice communities throughout the state. Equally, [Commenter 2] urges the Administrator to continue to consider the broad and long-standing obstacles that disadvantaged communities, including environmental justice communities, face toward participation in like programs and processes.

[Commenter 2] notes that such programs represent unprecedented systems to leverage programs and projects for resultant benefits for low-income and environmental justice community members. In light of this, [Commenter 2] strongly recommends that these opportunities must be thoroughly monitored and connected such that full participation is truly possible by the groups who the program is statutorily intended to serve. [Commenter 2]'s comments are focused on the need to ensure requirements are equitable and fair, and that there may be a variety of challenges encountered across the different incentive categories and project sizes covered by the program. Maintaining a contextual understanding of aforementioned dynamics will be key to eliminating undue obstacles for full participation by trainees and Approved Vendors alike. [Commenter 2] commends the Administrator for their consideration of these key provisions critical to the success of the Illinois Solar for All program overall.

Project Eligibility: Low-Income Community Solar

[Commenter 2] applauds the commitment the IPA and the Administrator have shown to the guiding principles of fostering community engagement, avoiding upfront costs, and limiting ongoing costs in the draft low-income community solar project eligibility requirements. Furthermore, we look forward to future opportunities for feedback on how to prioritize low-income community solar projects for selection - [Commenter 2] believes it will be important to prioritize projects that drive the most community benefit. We offer the following comments in this same spirit.

Anchor Tenants

It was not clear in the presentation which REC price applies to the public or non-profit anchor tenant portion of a LI community solar project. [Commenter 2] appreciates the clarity provided in the Administrator's guidance document. That is, a non-profit or public facility anchor tenant receives the the LI community solar REC price, not the SfA public or non-profit REC price.

[Commenter 2] suggests that multiple anchor tenants be allowed if the anchor tenants are all public or non-profit entities eligible for the non-profit and public facility sub-program, with the caveat that the total amount consumed by all anchor tenants cannot exceed 40% of the LI Community Solar project capacity. We are concerned that it might prove difficult to identify a single non-profit or public entity that meets the low income requirements of the program and can consume the necessary power. With multiple non-profits or public entities allowed as anchor tenants, the LI community solar provider can utilize smaller electrical consumers as anchor tenants that may be closer, both physically and vocationally, to the community being served. We think that allowing for flexibility in this area would provide for projects that better match the overarching goals of the program and could be used to differentiate projects in the selection criteria phase.

LI Subscriber % Requirements

The guidance document allows up to 30% of a LI community solar project to consist of non-LI subscribers. [Commenter 2] suggests that SfA LI community solar projects not be allowed to have any non-LI subscribers. While the Approved Vendor does not receive a REC contract for non-LI subscribed portion of a project, we are concerned that the economics of these projects may change in the future and incent project owners to replace low-income subscribers with non-low-income subscribers, even with financial clawback provisions in place. For example, if the price of power were to increase, it might incentivize a LI community solar project to drop LI subscribers. LI Community Solar projects are not without revenue for the unsubscribed portions of their projects: They will receive the avoided cost for the power generated by the unsubscribed portion of a project. Furthermore, we believe this step will reduce the administrative burden required to confirm a project’s ongoing compliance with program requirements.

If the IPA decides to allow non-LI subscribers in LI community solar projects, [Commenter 2] affirms that any portion of a LI community solar project that is subscribed to non-anchor, non-LI subscribers should not be eligible for REC payments.

Low-income Community Solar Subscribers, Shares, and Annual Subscriber Verification

[Commenter 2] recognizes that there will be turnover in subscribers for LI Community Solar Projects. It is possible that a project could experience subscription loss just before reporting. Except for the first year (see below), we suggest that subscription percentage be determined by calculating the previous 12 months of power delivered to subscribers divided by the total power produced by the portion of the project not attributed to the anchor tenant(s). In order to not unfairly punish projects that experience inopportune turnover, we suggest that the the projects be allowed leeway of 3% for a one year period prior to invoking any clawback provisions. For example, a project that has been paid for RECs at a 75% subscription rate could report a 72% subscriber rate without invoking clawback. They would need to achieve a 75% subscription rate or greater in their next report or the project would invoke the clawback provisions for whatever they are short in that year and the previous year.

For year one requirements, we support the IPA’s and Administrator's position in the draft guidance that a project needs to have at least a 50% LI subscriber rate for that portion of the project that is not subscribed to an anchor tenant(s) to be awarded the initial REC payment. We also advocate that if the project does not have at least a a 50% LI subscriber rate by the first year after energization, the project will lose it’s REC contract. For the first year only, the subscriber rate should be calculated by the total power subscribed (not delivered) to LI households divided by the total power projected to be produced by the portion of the project not attributed to the anchor tenant(s).