

Illinois Solar for All Project Selection Protocol Request for Stakeholder Comments

APRIL 21, 2020

On Monday, April 20, 2020, the Illinois Power Agency (the Agency) published its [revised Long-Term Renewable Resources Procurement Plan](#) (Revised Plan). The Revised Plan includes a number of changes to the project selection process for the Illinois Solar for All Program. **The Agency and the Illinois Solar for All Program Administrator are now soliciting feedback on how to implement those changes.**

This document (1) outlines proposed updates to the Illinois Solar for All (ILSFA) Project Selection Protocol, which is triggered when applications in the initial project submission window exceed the available annual funding for a given ILSFA sub-program, and (2) solicits feedback on how to expand minority and women business enterprise (MWBE) opportunities within the project selection process.

The [draft Project Selection Protocol document](#) released along with this request for comments is redlined to show changes from the current Project Selection Protocol document used for the prior program years.

Specific questions on which feedback is sought are found below. Commenters need not respond to every question (some may be inapplicable) and should not feel limited by these questions in providing feedback. Comments are welcome from both participants in ILSFA as well as from other interested parties.

In general, responses will be made public and published on the ILSFA website (IllinoisSFA.com). However, should a commenter seek to designate any portion of its response as confidential, that commenter should provide both public and redacted versions. Independent of that designation, if the Agency or the Program Administrator determines that a response contains confidential information that should not be disclosed, it reserves the right to provide its own redactions.

The draft Project Selection Protocol is posted at IllinoisSFA.com/Announcements.

Responses are due by Friday, May 8, 2020 and should be sent to comments@IllinoisSFA.com.

A [stakeholder feedback webinar](#) will be held on Friday, May 1, 2020 from 2:00 to 4:00 PM CDT. The Program Administrator will review the proposed changes and there will be an opportunity for discussion with stakeholders at that time.

The project selection process for the 2020-2021 program year will reflect lessons learned from prior project selection processes, feedback from stakeholders, and revisions to the Agency's [Long-Term Renewable Resources Procurement Plan](#) (Plan). (See Sections 8.6.2 and 8.12.2 of the Plan for more information).

(1) Proposed changes to the Project Selection Protocol for the ILSFA 2020-2021 program year

LOW-INCOME COMMUNITY SOLAR PROPOSED CHANGES

Scoring changes on utility territory balancing and system size are only being made to the project selection process for Low-Income Community Solar sub-program and not for the Distributed Generation and Non-Profit/Public Facilities sub-programs. This is due to high demand for this sub-program, which triggered the project selection process in both prior program years. These changes were made in anticipation of relatively larger project sizes of community solar projects compared to the other sub-programs, and, therefore, a fewer number of projects that can be funded within the sub-program budget.

Proposed changes to the Low-Income Community Solar sub-program's project selection process include:

- **Anchor Tenant Scoring.** Prioritization based upon the type of anchor tenant in the following order:¹
 - Projects for which the anchor tenant is a non-profit or public facility critical service provider and also the project host;
 - Projects for which the anchor tenant is a non-profit or public facility that is not a critical service provider and is also the project host;
 - Projects for which the anchor tenant is a non-profit or public facility critical service provider but not the project host;
 - Projects for which the anchor tenant is a non-profit or public facility that is not a critical service provider but not the project host;
 - Projects for which the anchor tenant is not a non-profit or public facility.

¹ As specified in Section 8.6.2 of the Revised Long-Term Plan.

To qualify for any preference in project selection for a project with an anchor tenant, the anchor tenant subscription must be at least 10% of the project size (and, by law, may not be more than 40%).

1. Does the proposed scoring system adequately prioritize the types of anchor tenants listed above?

- **Utility territory balancing.** Balancing of projects by utility service territory will now occur only in Prioritization 2, the low-income community (LI community) allocation. Prior project selection processes balanced projects by utility service territory at the environmental justice community (EJC) allocation in Prioritization 1, but because so few projects had been selected in this early stage of the project selection process, the utility balancing had no effect on the eventual project mix. Conversely, if utility balancing did not occur until Prioritization 3, the final round, available funds could be insufficient to balance out the total award by utility service territory. Therefore, Prioritization 2 is the optimal point to conduct utility service territory balancing based on the number of projects. Unlike other balancing within the protocol, utility service territory balancing will be based on the number of projects, not on the proportion of the incentive value of each project type. As an example, if two projects in each utility service territory are chosen in the EJC allocation in Prioritization 1, then there will be no balancing in subsequent rounds.
 1. **Does the proposed change as to when balancing of projects by utility service territory occurs achieve the intended goal of having a diverse group of selected projects across the State?**
 2. **Do you have specific recommendations as to how to better adjust the process to ensure a diverse group of selected projects across the State?**
- **System size.** In the previous two program years, the overwhelming majority of projects submitted were larger than 1,000 kW. In order to encourage more diversity in the sizes of projects submitted, the following project sizes will be incentivized with additional points (in descending order): projects with a capacity up to and including 100 kW; projects over 100 kW through and including 500 kW; and, lastly projects over 500 kW through and including 1,000 kW (1 MW). Projects over 1 MW will not receive points for system size.

1. **Are there other size delineations that are better suited to incentivizing the development of a range of project types and sizes?**
2. **Should there be more, or less, granularity to the points awarded and the number of size categories?**

LOW-INCOME DISTRIBUTED GENERATION PROPOSED CHANGES

Under the Revised Plan, Section 8.6.1.1 states that 25% of the program year budget for the Low-Income Distributed Generation sub-program will be reserved for 1-4 unit building projects for the first nine months of the program year. This is in addition to the 25% of the sub-program budget allocated to projects in Environmental Justice Communities. In order to accommodate both of these priorities the project selection protocol for the Distributed Generation sub-program has been updated.

Proposed changes to the Low-Income Distributed Generation sub-program's project selection process include:

- Holding two separate project selection processes for 1-4 unit building projects and 5+ unit building projects, which therefore eliminates the need for points balancing those two building types.
1. **Are there other ways to consider both the 75% limit on budget allocation to 5+ unit building projects within the first 9 months of the program year along with the overall program goal of 25% of each sub-program budget being allocated to projects located in environmental justice communities?**

(2) Proposed Changes related to MWBE Eligibility

In the proceeding to approve the Revised Plan, the Environmental Law and Policy Center and Vote Solar recommended that MWBE consideration be expanded from just Approved Vendors that are MWBEs to include Approved Vendors who work with women- or minority owned businesses. The Agency agreed to consider this approach, but recommended a workshop or public comment process to flesh out this requirement including how to ensure that a commitment to work with those businesses can have upfront verification and also be reduced to contractually-enforceable provisions. The ICC approved that approach and this request for comments represents that public comment

process. In addition, the Program Administrator is interested in stakeholder feedback on the idea of expanding the definition of MWBE to also include non-profit organizations.

- **Expanded consideration of MWBE businesses.** In order to determine how the scoring could be adjusted to add points for use of MWBE sub-contractors, feedback is requested on how to ensure that a commitment to work with MWBEs can have upfront verification and also be reduced to contractually-enforceable provisions. Such protocols would need to clearly establish how an Approved Vendor would provide robust documentation of the planned work and how, because their project could be selected ahead of other projects that do not make this commitment, they would be at risk of contract termination if they subsequently did not work with the committed MWBEs when developing the project.
 1. **What percent of project costs should be subject to a MWBE sub-contractor commitment? How should projected project cost be verified?**
 2. **What should be a minimum level of demonstration of MWBE sub-contractor commitment?**
 3. **What should be allowed in terms of substitution of contractors from the ones initially identified?**
 4. **Should the MWBE certification requirements for sub-contractors be the same as required for Approved Vendors?**
 5. **What contractual provisions should be considered for failure to meet a MWBE commitment? What would be appropriate consequences for failure to meet an MWBE commitment?**
- **Including Non-Profit Organizations.** In order to continue to expand opportunities for diverse business types, the Program Administrator is considering expanding the definition of a certified MWBE for the Illinois Solar for All Program to include non-profit organizations.² This would allow non-profits that are certified as a MWBE to receive the MWBE point during

² The current standard for MWBE consideration in ILSFA is that the Approved Vendor or Seller registered with public or non-public third-party certifying bodies approved by ComEd and Ameren Illinois, including but not limited to, the National Minority Supplier Development Council and its regional affiliates, and the Women's Business Enterprise National Council and its regional affiliates.

project selection. The Program Administrator proposes that a non-profit organization could show that it is a MWBE by meeting both of the following criteria:

1. Fifty-one percent or more of the non-profit's governing board (i.e., the board of directors or board of trustees responsible for the overall management and oversight of the non-profit organization) is made up of minority individuals (African-Americans, Asian-Pacific and Subcontinent Asian Americans, Hispanic Americans, Native Americans) or women or veterans.
2. The executive director (or chief executive officer or president, as applicable) of the non-profit responsible for day-to-day management of the organization is a minority individual and/or woman.

Additionally, the non-profit organization would be required to meet other criteria (or comparable criteria) typically required of for-profit businesses to receive MWBE certification, which are:

- Majority of board directors and top five employees of organization are U.S. citizens (Certifying bodies require for-profit diverse enterprises to be owned entirely by U.S. citizens.)
- Must be U.S.-based (incorporated and principle place of business in one of the 50 states or a U.S. trust territory).
- Top executive has held that position for at least six months
- Minority or woman holds the highest paid position in the organization

- 1. Do you support the idea of expanding MWBE eligibility to allow for participation by non-profit organizations?**
- 2. If you support the idea, are the requirements for demonstrating eligibility appropriate, or do you have alternative criteria to recommend? (Examples from other programs are particularly welcome.)**