



May 8, 2020

Illinois Solar For All Program Administrator

Delivered electronically to comments@IllinoisSFA.com

Dear Illinois Solar For All Administrator:

I would like to address your request for comment on the question of expanded participation of MWBE businesses. While Certasun supports the participation of MWBE contractors in the Illinois Solar For All program, we disagree with the suggestion that the Administrator award extra points for the use of MWBE *sub*contractors.

Many homeowners prefer to not have a subcontractor involved in their solar project. This is understandable: subcontractors are inherently less accountable than the original contractor. By incentivizing the use of *any* subcontractor, the Administrator would incentivize an outcome that many homeowners find sub-optimal and even objectionable.

Further, awarding extra points for the use of a subcontractor would favor one business model over another. By way of example, Certasun's *No Surprises Guarantee* includes this guarantee: "We will not outsource your installation to a subcontractor. Our team of well-trained solar installers will perform the work at your house." Any change to incentivize subcontracting would disfavor Certasun and other companies that perform their own work.

Sincerely,

Jesse Feinberg, VP Sales & Marketing

Certasun



MEMORANDUM

To: Illinois Power Agency

From: Central Road Energy, LLC

Date: May 8, 2020

Subject: Comments on Proposed Project Selection Protocol (2020)

Central Road Energy (CRE) appreciates the opportunity to provide comments on the draft update to the Project Selection Protocol for 2020 for the Illinois Solar for All Program. We also appreciate the effort the Agency and the Program Administrator have put forth in creating the current protocol and recognize the difficulty in balancing the many competing interests of the varied stakeholders. We have no specific comments directed towards the protocols themselves. In these matters, we fully support the recommendations of the ILSfA Working Group.

As an Approved Vendor Aggregator in the program, Central Road Energy interacts with many different developers, investors, and participants that want to develop ILSfA projects. These stakeholders are proposing projects across the state and across the spectrum when it comes to project subprogram, size, community type, utility, and entity. The most common complaint we hear from these stakeholders is related to the perceived randomness of those protocols that cannot be scored until after the program year closes. For example, under the current protocols, it is not possible to estimate the possibility of a large project being funded. If smaller projects flood a subprogram, larger projects will get additional points for no reason beyond the fact that several smaller projects requested funding. There is no way for a stakeholder to know this until a large project is submitted, the program year is closed, and the projects have been scored.

While we understood the utility of these types of protocols at the beginning of the program, we now have the results of two program years. For the Community Solar and Non-Profit/Public Facility subprograms, we know, or can now evaluate, where the subprograms are not meeting the ambitious goals set in FEJA and the LTRRPP. Scoring criteria should help to drive stakeholders towards those areas that are currently underserved by the program. The stakeholders we work with realize the limited program funding means that there is always the chance that their project will not get funded. What they want from the scoring protocols is to better estimate that probability, better direct their expensive and time-consuming development efforts, and better manage the expectations of the participant team members. For these reasons, CRE encourages that the Agency and the Administrator adopt protocols that better guide development efforts towards the goals of the program by reducing, to the extent practicable, those criteria that can only be determined after the program window had been closed. Furthermore, we encourage the Agency and Administrator to finalize future program year scoring protocols as soon as possible after the current program year's closing.

To: Illinois Power Agency & Program Administration Team
From: MeLena Hessel & Participants in the Illinois Solar for All Working Group
Date: 5/8/2020
Re: Illinois Solar for All Working Group Comments on Proposed Project Selection Protocol (2020)

Dear Illinois Power Agency & Program Administration Team:

The Illinois Solar for All Working Group is pleased to deliver the enclosed comments on the proposed project selection protocol. 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. Currently, the Illinois Solar for All Working Group is co-facilitated by Juliana Pino of Little Village Environmental Justice Organization and MeLena Hessel of Environmental Law and Policy Center. Over 75 participants include representatives from the following organizations and others:

Central Illinois Healthy Community Alliance	Prairie Rivers Network
Central Road Energy LLC	Seven Generations Ahead
Citizens Utility Board	Sierra Club, Illinois Chapter
Environmental Law & Policy Center	SustainRockford Inc.
Little Village Environmental Justice Organization	Vote Solar

Working Group Process

The Working Group began convening in January 2017, and has had monthly full-group meetings until the present time. From time to time, the Working Group operates with sub-teams or break out groups that focus on specific areas relevant to the policies at hand and future work on the program. These sub-teams have included: Program Administration & Evaluation, Consumer Protection & Financing, Education &

Engagement, Job Training, and Project Workshop.

Working Group Commenting and Engagement History for IL Solar for All

- 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 engaged in stakeholder sessions and 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 on January 9, 2019;
 - Environmental Justice provisions on January 30, 2019;
 - Job Training provisions and Third-Party Evaluation provisions on February 7, 2019;
 - Project and Participant Eligibility and Verification Processes on March 13, 2019;
 - the Low-Income Community Solar REC contract on April 2, 2019;
 - Project Selection on April 15, 2019;
 - and Consumer Protection on April 19, 2019.
- Many Working Group participants also attended IPA's June 2019 workshops and helped develop the Working Group's response to IPA's July 3, 2019 Request for Comments on the Long-Term Plan Update.

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

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

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 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 and the Long-Term Renewable Resources Procurement Plan. 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.

Illinois Solar for All Working Group Comments on Proposed Project Selection Protocol (2020)

Introduction

The Illinois Solar For All Working Group (“Working Group”) appreciates the opportunity to provide comments on the draft update to the Project Selection Protocol for 2020 for the Illinois Solar for All Program. We appreciate the considerable thought and effort the program administration team has already put into developing and refining this protocol.

The current proposal builds on the prior existing Project Selection Protocol, both making incremental improvements and enacting new requirements from the recently approved Long-Term Renewable Resources Procurement Plan update. The Working Group fully supports making incremental improvements to this protocol, over time, to better enable the process to selectively advance high quality projects that benefit low-income and environmental justice communities throughout the state, including through local workforce development and the participation of minority- and women-owned businesses in the program. Ultimately, such a project selection process should serve as its own self-reinforcing incentive to developers to bring a diverse set of highly beneficial projects to the table, knowing that projects may be subject to project selection and that only the best projects will advance.

The Working Group’s comments and responses to questions reflect both the goal of advancing projects that most benefit low-income and environmental communities, including through the economic integration of these communities into the clean energy economy, and the goal of allowing project selection to serve as an effective incentive to the development of such projects. In particular, the Working Group has worked to research and refine and approach to considering sub-contractors in the provision of points for the MWBE scoring criteria. Working Group members would be happy to provide further detail on this proposal, to the extent useful.

Additionally, we offer a recommendation on future updates to this protocol. In order to best meet program goals, clearly defined criteria should be made available to Approved Vendors and developers well before program year opening. Particularly given the limited budgets available, managing program expectations for developers and the communities the program is designed to serve is one of the keys to long-term program success. We recognize that the timing of the update process, this year, was dictated by the Plan approval process and make suggestions as to how to improve this process, going forward. Ultimately, we advocate for scoring protocols for the next program year being made available as early as reasonably practicable.

Areas of Requested Feedback

Anchor Tenant Scoring [John]

- *Does the proposed scoring system adequately prioritize the types of anchor tenants listed above?*

<u>Anchor Type</u>	<u>Anchor is a non-profit or public facility (NP/PF). The anchor institution must provide a Letter of Intent (LOI), and the anchor tenant subscription must be at least 10% and project size, and not more than 40% of project size.</u>	<u>0.5</u>
<u>Project host</u>	<u>Additional if the Anchor NP/PF is also the project host (PH)</u>	<u>0.75</u>
<u>Critical Service Provider</u>	<u>Additional if the Anchor NP/PF is also a critical service provider (CSP)</u>	<u>0.5</u>

The Working Group supports decoupling the points awarded for qualifying project hosts from those awarded for qualifying anchor tenants. The current rubric suggests that the only way that a project hosted by a non-profit or public facility landowner could receive points is to also be an anchor tenant. While we suspect many project hosts would be eager to also be anchor tenants, we can imagine some project hosts that have sufficient land but insufficient load to be a qualifying anchor tenant. A house of worship might fit this host profile. There may also be project hosts that simply choose not to be an anchor subscriber. We believe that having non-profit and public facility project hosts can provide important community based benefits to low income and EJ communities even in those cases where the host is not the anchor. For example, they might be able to do on-site educational events about the system, have institutional pride or achieve community sustainability goals for hosting, and would receive financial compensation that can support their community support efforts elsewhere. We also believe that the additional value for being a critical service provider - the 0.5 point adder - should apply to a project that is either an anchor tenant or a project host. This means that a project hosted on land owned by a non-profit providing critical services would receive 1.25 points total. If that non-profit were also an anchor subscriber, the project would receive 1.75 points total.

Given that Project Host and Anchor Type are the best proxies we have for community engagement in the project selection process, the working group suggests revisiting these point values to ensure the process adequately incentivises building relationships with non-profit and public facility stakeholders. This could involve increasing the Anchor Type point value and/or

the Project Host point value. For example the Anchor Type score could be increased to 0 .75 or 1 to match the Project Host value.

Utility territory balancing

- *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?*
- *Do you have specific recommendations as to how to better adjust the process to ensure a diverse group of selected projects across the State?*

The Working Group strongly supports ensuring a diverse group of selected projects across the state and appreciates the Program Administration Team’s efforts to achieve this through the projects scoring process. The geographic division of the state into two categories (Group A and Group B correlating roughly to ComEd and Ameren’s respective service territories) and a scoring criteria that favored projects from the group with fewer applicants was a reasonable starting point for the project selection process during PY1 and PY2. However, after two years of observing the project selection process in action for the community solar (CS) subprogram, we believe this approach has some problematic limitations :

- First, this approach **risks overweighting the category of projects with fewer applicants**, particularly in project selection instances with high levels of oversubscription - which we have seen in the community solar subprogram¹. In fact, to illustrate with an extreme example, if for whatever reason, 30% of the capacity of applied projects for a given subprogram came from Ameren territory and 70% from ComEd territory and that subprogram was vastly oversubscribed, we would expect 100% of projects selected through this approach to be in Ameren territory - clearly a suboptimal outcome.
- Second the approach **fails to provide clear incentives to locate in underserved areas**. Rather, it incentivizes developers to bet on development in whichever territory they *think* will have fewer applicants in a given year. The two are not necessarily related.
- Finally, the **implicit weights do not align with the distribution of low-income and environmental justice communities across the state**. The scoring approach used in prior years imply a desired outcome of 50% of projects in ComEd territory and 50% of projects in Ameren territory. This is only appropriate inasmuch as the state’s low-income

¹ This risk of overweighting the category of projects with fewer applicants theoretically impacts a number of scoring areas where the scoring aims to achieve a balance of different characteristics, not just geographic diversity. The Working Group will also comment on this risk with regard to project size. However, we would encourage the program administration team to proactively manage this risk by considering whether additional changes should be made to other scoring areas. In particular, the Working Group is concerned whether this balancing approach could cause problems in the NP/PF subprogram, in the event of oversubscription, by overweighting which sub-category, non-profits or public facilities, receives fewer applicants.

and environmental justice population is split evenly between ComEd and Ameren territory - we do not believe that is the case.

Given these limitations, it is prudent to consider alternative approaches to the project selection for geographic diversity used in prior years. The proposal on the table already does this for the CS subprogram by proposing to only use this scoring criteria in the second round of scoring, significantly reducing the risk of overweighting the category of projects with fewer applicants for that subprogram. However we urge the Program Administrator to consider alternative proposals to further address the problems outlined above and proactively steer projects towards those geographic areas that are underrepresented.

For the CS and nonprofit and public facility (NP/PF) subprograms, in particular, we advocate for a more targeted approach that more clearly rewards project development in underrepresented areas of the state. The program administrator has divided the state into five sectors for the purpose of showing what areas Approved Vendors are willing to work in. This division of the state may provide an appropriate level of granularity for better assuring geographic diversity within the subprograms.

For example, the low-income and environmental justice community populations of these five sectors could be estimated and used to calculate an ILSfA subprogram funding per capita metric (over all time). The areas for the CS and NP/PF subprograms could then be prioritized with (an) extra point(s) if they are significantly underserved or deprioritized with (a) point(s) deducted during the low-income communities scoring round. This metric could be recalculated and made available to grassroots educators, Approved Vendors and developers with sufficient lead time ahead of each program year's open. This would allow Approved Vendors and stakeholders the opportunity to focus their efforts in the areas that have the best chance of being selected for projects while better targeting incentives to underserved areas.

The Working Group believes our above example would be a real improvement, but represents too significant a departure from the past and has received too little vetting from the broader community of Illinois Solar for All stakeholders to be adopted in whole for the upcoming program year (PY3). Instead, we urge the Program Administration team to consider whether elements of this proposal can be implemented to make incremental improvements to geographic diversity project selection in PY3 and to utilize this proposal when refining project selection for PY4.

System size

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

The proposed project selection protocol takes a different approach to scoring system size for nonprofit and public facility projects vs. community solar projects. We will comment on each separately.

Nonprofit and Public Facility

Like the project location scoring, we feel the current scoring protocol for non-profit and public facility sizing both risks overweighting categories with fewer applicants and fails to provide clear incentives based on project size. For example, a Working Group member has modeled a number of scenarios where applications for NP/PF projects smaller than 100 kW are overrepresented, resulting in larger projects getting favored at every step of the scoring process for no reason except that there were a number of smaller projects requesting funding.

Consequently, we do not feel the current system supports the objectives of the program. In the short-term, i.e. for this program year, the Working Group recommends this is addressed by limiting the number of stages at which system size scoring is applied, applying screens that ratchet back the use of system size scoring if certain application levels are reached, or similar incremental changes to the current proposed approach.

For PY4 and thereafter, we recommend awarding higher points to smaller projects. While the Working Group does not have complete consensus on such a proposal, a majority of active participants have a preference for smaller projects over larger projects with the overarching goal of getting more projects out to more communities throughout the state. At the same time, we recognize the potential demerits of such a proposal, including effectively decreasing the total amount of solar capacity (i.e., kW) that is built by the funding available to the program and entirely boxing out larger projects and customers from the program. Nonetheless, and particularly given the small size of the NP/PF subprogram annual budget relative to the incentive value of a single large NP/PF project, we feel the benefits of incentivizing small projects in this subprogram outweigh the costs. We recommend delaying the switch to a preference for smaller projects to PY4 for three reasons: 1) to allow for further stakeholder comment and refinement, 2) to provide adequate lead time for developers to respond to such a significant change in the scoring protocol, and 3) to implement this change in concert with changes to geographic diversity scoring that would more effectively ensure smaller projects translated to better coverage across the the state.

The projects awarded REC contracts to date indicate that the NP/PF projects are somewhat constrained by the size of the property/roof and the energy usage of the NP/PF. Segregation of the results of PY1 and PY2 into relatively equivalent amounts of funding results in the following “bins”:

0 – 100 kW	17 Projects	\$1.7MM
>100 – 275 kW	3 Projects	\$1.6MM
>275 – 500 kW	3 Projects	\$1.4MM
>500 – 1,000 kW	2 Projects	\$2.3MM
> 1,000 kW	0 Projects	

Based on this analysis, we suggest the following subdivisions and point scores, which favor smaller projects:

0 – 100 kW	1 Point
>100 – 275 kW	0.75 Points
>275 – 500 kW	0.5 Points
>500 – 1,000 kW	0.25 Points
> 1,000 kW	0 points

Community Solar

As with the NP/PF subprogram, the majority of the Working Group supports the advancement of more and smaller community solar projects spread across the state. We believe the benefits communities derive from community solar projects located within and meaningfully connected to the community are significant. These benefits include local jobs during construction and operation, project visibility, and enhanced community engagement. And we agree with the Agency and the Solar for All program administration team that projects located within communities and with deep community roots are often smaller projects.

However, we do want to caution that small project size is not an effective substitute for directly scoring a community-connected project. Small projects can be an indicator of community connectivity when all else is equal, but as soon as it is not equal, i.e. as soon as small projects are advantaged, such projects will be much more likely to be developed *regardless* of their community connectivity and thus project smallness will no longer be a fair proxy for community connection. The Working Group urges the program administration team to keep this in mind when making final decisions regarding project selection and consider what other criteria (e.g. non-greenfield status) might be paired with project smallness to maintain size as an indicator of community connectivity.

Proposed changes to the Low-Income Distributed Generation sub-program’s project selection process-hold separate selection processes for 1-4 units & 5+ units

- *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 subprogram budget being allocated to projects located in environmental justice communities?*

The Working Group strongly supports protecting the Low-Income Distributed Generation sub-program from premature reallocation of funding, and agrees that two separate project selection processes for 1-4 unit building projects and 5+ unit building projects are needed.

The condition 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” is unclear in regard to when that nine months begins. The Working Group suggests that the nine months should begin after the 75% budget allocation for 5+ unit building projects has been filled. If the end of the program year comes before the remaining 25% budget allocation has been made to 1-4 unit building projects, the funding may be released for 5+ unit building projects.

There are several components of the ILSFA program still being worked out that will have important implications for the Low-Income Distributed Generation sub-program, including the new approach for homeowners to be allowed to receive income verification directly through the program administrator, as well as exploration of a new process to connect interested customers with ILSFA Approved Vendors. The Working Group commends the IPA’s attested approach to “exercise great caution before re-allocating funding from the Distributed Generation sub-program,” and encourages further stakeholder discussion of means to improve the sub-program.² To maximize participation within a sub-program with changing conditions, it is therefore important that the window for 1-4 unit building projects be extended for the longest period that the program year allows for.

The Working Group also had a different interpretation of the LTRRPP’s guidance to reserve 25% of funding for 1-4 unit building projects. We believe that this was designed to be a minimum threshold, not an artificial cap on those projects or an entirely separate funding stream.

³ The current proposal suggests that these 1-4 unit projects would start competing against one another via the project selection process if the total submitted incentive value of those projects

² Docket No. 19-0995, Final Order dated February 18, 2020 at 100 and 101.

³ The Working Group recognizes that we are a long ways off from worrying about caps on small DG projects.

was higher than 25%, even if the total submitted incentive value was less than the total available funding. This could limit the amount of funding being allocated towards these smaller projects. For example, if 150% of the available funds were claimed during the project submission window, and the projects were split evenly between 1-4 unit projects and 5+ unit projects, and all EJC requirements were satisfied, then the result would be every 5+ unit building project being selected but only a third of 1-4 unit project selected. The Working Group suggests this change to the proposed language:

“Project selection will be done based on the incentive values of projects submitted during the initial submission window in two sub-categories: 1-4 unit projects and 5+ unit projects. Project selection will be considered necessary if the incentive value of ~~1-4 unit projects exceeds 25% of the total sub-program budget~~ total submitted projects exceeds the sub-program budget and/or if the incentive value of 5+ unit projects exceeds 75% of the total sub-program budget.”

This means that there may be scenarios in which 1-4 unit and 5+ unit projects are competing for the same incentives. This requires retaining the points in the original framework to incentivize whichever track (1-4 unit or 5+ unit) is in the minority of submitted projects. We respectfully suggest retaining the metrics that are stricken through below:

1 to 4 unit	Qualifying DG property with 1 to 4 units	If total incentive value of projects for this attribute is: 0-25%=2, 26-50%=1, 51-75%=0.5, >75%=0
5+ unit	Qualifying DG property with 5+ units	If total incentive value of projects for this attribute is: 0-25%=2, 26-50%=1, 51-75%=0.5, >75%=0
Total possible score:		2-6

Proposed Changes to MWBE Eligibility

1. *What percent of project costs should be subject to a MWBE subcontractor commitment?*

In lieu of utilizing a percentage of project costs, the Solar for All Working Group suggests rewarding points based on the percentage of the REC contract to be performed by the MWBE, as shown in the following table. The percentage would be calculated by dividing the total estimated value of all the MWBE contracts by the value of the REC contract.

Subprogram	Percentage of REC contract performed by MWBE	Score
Distributed Generation	10 to 25%	0.25
	26 to 50%	0.50
	51 to 75%	0.75
	≥76%	1.0
Community Solar	10 to 25%	0.5
	26 to 50%	1.0
	51 to 75%	1.5
	≥76%	2.0
Nonprofit/Public Facility	10 to 25%	0.25
	26 to 50%	0.50
	51 to 75%	0.75
	≥76%	1.0

2. *How should projected project cost be verified?*

We are concerned that it might be difficult to define and verify something as nebulous as project costs. Difficult questions about what is appropriate to include in project costs would require accounting expertise perhaps beyond the scope of the administrator. Consequently, we recommend using the value of the REC contract as the denominator of the calculated percentage rather than the projected (and then actual) project costs. This number is transparent and closely correlated to the total costs of a project. Please see no. 6 below for methods for verifying MWBE utilization in Part II of the Solar for All Application.

3. *What should be a minimum level of demonstration of MWBE subcontractor commitment?*

For those applicants seeking additional points for MWBE utilization, we recommend requiring the completion of documentation such as that described below as a requirement in the Part I Project Application. These provisions should be subsequently incorporated into the REC contract. Similar documents are utilized by the state of Illinois Central Management Services and can be found [here](#).

- Approved Vendor commitment. AV commits to utilizing MWBE (as defined by the Agency) to perform X% of REC contract through self-performance or subcontracting.
- MWBE participation agreement. Identifies MWBE(s) to be utilized on project, detailed description of work to be performed, and sums to be paid to MWBE(s).

- Terms and conditions of MWBE utilization such as conditions regarding utilization plan modifications, substitution of originally identified MWBEs, and contract assignment.

The Approved Vendor should be required to maintain a record of all relevant data with respect to the utilization of MWBEs including, but not limited to, payroll records, invoices, canceled checks and books of account.

Please see no 6 below for remedies for AV failure to meet MWBE commitment.

4. What should be allowed in terms of substitution of contractors from the ones initially identified?

To begin with, any MWBE contractors substituted must be replaced by alternative MWBE contractors or the project should be considered as having failed to meet a MWBE commitment.

Regarding substitution of originally identified MWBEs for alternative MWBEs, we recommend requiring the AV to document one or more of the following factors, and preapproval of substitution by the Agency:

- Unavailability after receipt of reasonable notice to proceed;
- Failure of performance;
- Financial incapacity;
- Refusal to honor the bid or proposal price or scope;
- Material mistake of fact or law about the elements of the scope of work of a contract where a reasonable price cannot be agreed upon;
- Failure of the MWBE to meet insurance, licensing or bonding requirements;
- The MWBE's withdrawal of its bid or offer; and/or
- Failure of the MWBE to continue to meet the MWBE qualifying criteria as set forth by the Agency.

In addition, the AV and substituted MWBE should be required to execute new AV commitment and MWBE participation agreements.

5. Should the MWBE certification requirements for subcontractors be the same as required for Approved Vendors?

Yes, the MWBE certification requirements should apply to Approved Vendors and subcontractors alike. Further, we strongly recommend a contractual provision regarding contract assignment that requires any assignee to assume all MWBE utilization obligations.

6. *What contractual provisions should be considered for failure to meet a MWBE commitment?*

Breach of the MWBE contractual agreement should be remedied with either (1) REC contract rescission or (2) Reduction of REC contract payment following sufficient demonstration of Good Faith effort to meet MWBE commitments.

REC contract rescission. If the AV fails to adequately document satisfaction of its MWBE contractual commitment, the REC contract should be rescinded, with forfeiture of collateral, unless the AV can demonstrate an inability to meet the commitment despite Good Faith efforts.

Good Faith reduction. If the AV can demonstrate Good Faith efforts (as set forth below), the REC contract should be modified to reflect an amount due to the AV that is reduced by the percentage of the MWBE commitment that the AV failed to fulfill.

Good Faith demonstration must be made by documenting both of the following requirements:

- i) Originally identified MWBE unavailable due to:
 - a) Failure of performance;
 - b) Refusal to honor the bid or proposal price or scope;
 - c) The MWBE's withdrawal of its bid or offer; and/or
 - d) Failure of the MWBE to continue to meet the MWBE qualifying criteria as set forth by the Agency, and

- ii) MWBE substitute unavailable as demonstrated by:
 - a) MWBE check list and contact log. Approved Vendor must complete the check list and contact log explaining the Good Faith efforts it undertook to meet the commitment, including contacting all MWBEs that fall under the scope of work. Please see [Part III, page 4](#) for example of check list and contact log.
 - b) The Agency or its delegate will consider the quality, quantity, and intensity of the Approved Vendor's efforts in evaluating the sufficiency of the Good Faith demonstration.
 - c) In evaluating the Approved Vendor's Good Faith demonstration, the Agency or its delegate may consider whether the ability of other AVs to meet MWBE commitments suggests that Good Faith efforts could have resulted in the Approved Vendor meeting its original contractual obligation.

Verification of MWBE Utilization. As noted above, we recommend inclusion of the MWBE commitment in the REC contract and verification that the commitment has been satisfied as part

of the Part II Application. The Approved Vendor should be required to demonstrate full compliance with the MWBE commitment through proof of value provided to MWBE(s), including a signed verification from the MWBE(s) that they have received such value, as a prerequisite to approval of REC contract payment. This verification process could be modeled on the current Qualified Trainee documentation that is required as part of a Part II Application.

Including Non-Profit Organizations in MWBE for Solar for All

- *Do you support the idea of expanding MWBE eligibility to allow for participation by non-profit organizations?*
- *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.)*

The Working Group has a strong interest in seeing enterprises - businesses or otherwise - that were developed from the ground up and continue to be led by members of minority, environmental justice, and historically disadvantaged communities play a leading role in the Illinois Solar for All program. We believe the intent of this proposed expansion would be to advance that goal and support it, as such. Furthermore the criteria that would be required of such entities listed in the request for comments seem appropriate. The one additional suggestion the Working Group proposes for these criteria would be consideration of members of the environmental justice or low-income communities the non-profit serves in leadership roles. For example, having 51% of the board made up of disadvantage persons OR residents of the environmental justice or low-income communities served by the non-profit.

Additional Areas for Improvement

Timing of implementation of future project selection changes

A number of Working Group members that participate in the project development cycle have found the timing of this proposed update to the project selection protocol to be problematic. The Working Group recognizes that this timing was dictated by the Plan update proceeding, supported some of the changes recommended through the Plan update, and appreciates the improvements proposed. Nonetheless, we recommend the Program Administration team strive to propose future changes to project selection far earlier in the development process. For instance, a request for comments and proposed changes could go out for a subsequent program year on the heels of the conclusion of project selection for a current program year. This would allow project selection for a program year to be finalized well in advance of that year, allowing it to more effectively incentivize desired program outcomes.

The Working Group anticipates that there will be fewer and fewer changes to the project selection protocol over time, but, as our earlier comments indicate, we do anticipate potential benefits from additional changes prior to PY4. Furthermore, given the scheduling for the Plan update process, we recommend the IPA get approval for delaying implementation of some or all changes to project selection until the next scheduled project selection comment process (i.e. delayed by one project selection process), rather than implementing changes to project selection in the months immediately prior to program opening.

Nonprofit/Public Facility Participant Savings

In the NP/PF subprogram, points are awarded for participant savings in defined bins as follows:

<u>Participant Savings</u>	<u>Points</u>
51-60%	0.25
61-80%	1
81-100%	2

With the new requirement for savings of 65% for NP/PF projects that claim the Investment Tax Credit (ITC), these “ITC projects” would be awarded a point for just meeting the minimum program criteria and would be favored over projects that meet the minimum criteria for projects that do not take the ITC (“non-ITC projects”). We do not think that is the intent of the scoring.

We suggest the following, which rewards projects for increasing the savings above the minimum requirements and puts ITC and non-ITC projects on equal footing in the selection protocol.

<u>Participant Savings</u> <u>above the Minimum Requirement</u>	<u>Points</u>
< or = +10%	0.25
+11 - +30%	1
+31% and greater	2

Under this scenario, a non-ITC project that demonstrates 68% savings would be awarded 1 point because the project is +18% greater than the minimum 50% savings requirement. An ITC project that demonstrates 68% savings would be awarded 0.25 points because the project is +3% greater than the minimum 65% savings requirement. We also ask that the participant savings be consistently defined for all applicants. We would suggest defining savings as the value provided in the “Term of Lease Savings Percent” (sic) from Cell D41 of the current ILSFA Savings Calculator.

Seller and Approved Vendor Aggregators and Designees

Should the IPA choose not to implement our suggested changes to the MWBE scoring protocols, we request the following changes to the current MWBE attribute in all the subprograms. The current MWBE attribute definition includes “Seller”. It is not clear to us who or what a “Seller” is. We ask that this term either be defined or removed from the definition. Furthermore, we ask that Approved Vendor Designees be added to the definition and Approved Vendor Aggregators specifically excluded. We request that Approved Vendor Aggregators be specifically excluded or be given only a quarter of a point because of the limited role that an aggregator performs in these projects. Rather, it is the Approved Vendor Designee that is more substantially fulfilling the expected role of the Approved Vendor in the project. Should the IPA accept our suggested MWBE scoring protocols, these issues become moot as the amount of project participation for each member of the installation team will be assigned a documented dollar amount directly reflective of their role in the project.



May 8, 2020


Illinois Solar For All Program Administrator
322 S. Green St., Suite 300
Chicago, IL 60607

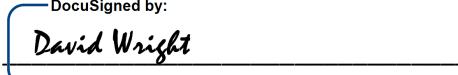
RE: ILSFA Project Selection Protocol: Request for Stakeholder Comments

To whom it may concern:

Groundswell, a 501(c)(3) nonprofit organization that is registered as an Approved Vendor in the Illinois Solar For All program, supports the goal of expanding opportunities for minority and women business enterprise (MWBE) within the project selection process by expanding the definition of a certified MWBE for the Illinois Solar for All Program to include non-profit organizations. We believe the requirements for demonstrating eligibility appropriate and we encourage the Program Administrator to adopt these guidelines.

Best Regards,

DocuSigned by:

Lenwood Coleman
Vice President, Solar Development and Operations

DocuSigned by:

David Wright
Director of Project Development



May 6, 2020

Trajectory Energy Partners, LLC
P.O. Box 310
Highland Park, IL 60035

Re: Illinois Solar for All Project Selection Protocol Request for Stakeholder Comments

Trajectory Energy Partners (“Trajectory”) appreciates the opportunity to comment on the proposed updated Project Selection Protocol released on April 21, 2020. We are commenting on the following questions included in the associated Request for Stakeholder Comments:

1. *Proposed changes to the Low-Income Community Solar sub-program’s project selection process include:*
 - *Anchor Tenant Scoring –*
 1. *Does the proposed scoring system adequately prioritize the types of anchor tenants listed above?*
 - *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?*

Section 8.6.2 of the LTRRPP provides a clear policy directive that future Low-Income Community Solar project must have “deep community connections” and that the method for ensuring these community connections is through prioritizing certain types of anchor subscribers and site hosts. This idea was first introduced by IPA staff at the initial LTRRPP workshop in summer 2019, was included in the draft of the LTRRPP released on August 15, 2019, was approved by the ICC on February 18, 2020.

Trajectory believes that the proposed point system does not adequately reflect this policy directive to achieve “deep community connections” or the required approve to ensuring that this objective is met. The total points awarded for various characteristics of anchor subscribers and site hosts are not sufficient compared to points available for other attributes, and will not result in adequately prioritizing these types of anchor tenants. In particular, the proposal

misaligns the points available for these types of anchor tenants and site hosts compared to the points awarded for medium sized projects.

To illustrate this misalignment under the current proposal, consider the following example of how two projects would score – holding all other attributes the same:

- Project 1:
 - 1.5MWac project has a non-profit community center providing critical services as the site host and the anchor subscriber.
 - Score: 1.75 points for anchor/site host type, 0 points for size.
 - Total: 1.75 points

- Project 2:
 - 500kWac system on land owned by a private landowner or corporation with no local connections.
 - Score: 0 points for anchor/site host type, 2 points for size.
 - Total: 2 points

As noted in the updated LTRRPP, a critical service providing non-profit or public sector entity that serves as a site host and anchor subscriber will have strong influence over a project and its associated community engagement, ensuring the deep community connections identified as a priority both by the Future Energy Jobs Act and the current LTRRPP. Project 1 would achieve this policy directive.

Under the current proposal, however, Project 2 would be prioritized despite not achieving the LTRRPP policy goals. Because the project selection plan awards no points for proof of community connection or for limiting subscribers to a certain geographic proximity to the project, a medium sized project with a private sector site host would have no incentive to build the “deep community connections” prioritized in the LTRRPP but would receive more points than a larger project deeply connected to the community through its site host and anchor subscriber.

Because funds for ILSFA community solar projects are limited, it is critical that the point system prioritize projects that achieve the stated policy objectives.

On the Webinar held on May 1, 2020, program staff noted that a rationale for the points awarded to small and medium sized project was to help meet the goal of supporting projects in more urban environments. Of the 9 Low-Income Community Solar REC awards selected in

2019, 7 of the 9 are for projects located within city boundaries. Of the \$24.2M in REC awards from 2019, \$16.5M was for projects in the cities of Rockford and Champaign/Urbana, both places that are considered urban by the people who live there. Even if the goal was to prioritize projects in the city of Chicago, the current proposal would not result in prioritizing projects in Chicago, simply based on the existing geographic constraints. Urban locations such as Champaign/Urbana, Rockford, etc. still have many more available locations for 500kW systems than does Chicago. In addition, the revised LTRRPP does not indicate a policy preference for installations of community solar in Chicago.

In order to reflect the priorities outlined in the LTRRPP, Trajectory recommends two changes to the prioritization system:

1. Double the points awarded for various anchor/site hosts types:

Attribute:	Definition:	Score:
Anchor Type	Anchor is a non-profit or public facility (NP/PF). The anchor institution must provide a Letter of Intent (LOI), and the anchor tenant subscription must be at least 10% and project size, and not more than 40% of project size.	1
Project Host	Additional if the Anchor NP/PF is also the project host (PH)	1.5
Critical Services Provider	Additional if the Anchor NP/PF is also a critical service provider (CSP)	1

2. Reduce the scoring for medium sized projects:

Attribute:	Definition:	Score:
System size ≤ 100 kW	Eligible project is less than or equal to 100 kW	2

System size > 100kW ≤ 500kW	Eligible project is greater than 100 kW and less than or equal to 500 kW	1
System size > 500 kW ≤ 1000 kW	Eligible project is greater than 500 kW and less than or equal to 1000 kW	0.5

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

- **Utility territory balancing - 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?**

Trajectory supports the proposed approach to utility balancing, and believes it is an improvement over the previous scoring mechanic for utility territory balancing.

2. Proposed Changes related to MWBE Eligibility

Trajectory supports the inclusion of scoring for projects with an agreement to work with MWBE sub-contractors for projects. We do not have specific suggestions for the questions asked, but strongly support this new approach to increase MWBE participation in ILSFA projects.

Respectfully submitted,

/s/ Jon Carson

Jon Carson
 Managing Partner
 Trajectory Energy Partners, LLC