



Illinois Solar for All

Project Selection Protocol: Stakeholder Session

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Agenda

- Goals of Project Selection Protocol
- Current Protocol and PY1 and PY2 Results
- Overview of Proposed Changes
- Deep Dive into Examples
- Overview of MWBE Questions
- Discussion



Goals of Project Selection Protocol

- Provides a process for when more eligible projects are submitted than can be funded
- Supported by Public Act 99-0906/Revised Plan
- Prioritizes projects with attributes that highlight the spirit of Public Act 99-0906/Revised Plan
- Increases the likelihood for a diversity of projects by size and location
- Minimizes the number of projects randomly selected



Overview of Project Application Process

- Approved Vendors submit projects and/or batches during initial submission window
- Project eligibility is determined during review and cure periods
- Project selection is only necessary when a sub-program is over-subscribed following the review and cure periods
 - Random Selection is conducted during Project Selection, only if necessary



Changes to Project Application Process

New Batch Requirements in Revised Plan

- Approved Vendors without ICC approved contracts for ILSFA projects from previous program years must submit projects in batches of at least 50kW.
- Approved Vendors with approved contracts can submit projects on a rolling basis.

Separate Project Submission Windows

- First window for Low-Income Distributed Generation and Non-Profit/Public Facilities projects
- Second window for Low-Income Community Solar projects
- Full 2020-2021 program year calendar available:
illinoissfa.com/announcements/2020/04/program-year-2020-2021-calendar-released/



Current Project Selection Protocol



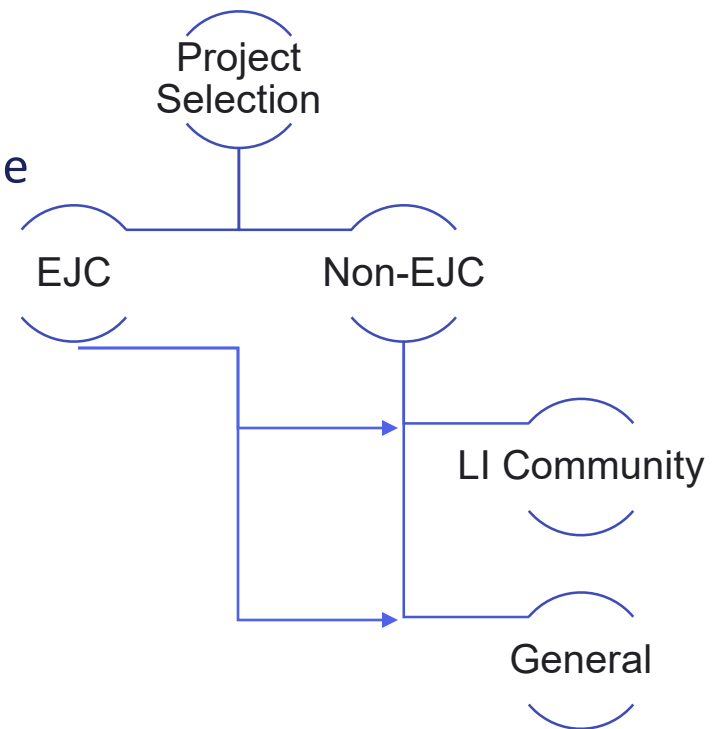
Existing PY1 and PY2 Protocol Overview

A selection done in multiple stages

(a) After 30 day submission window

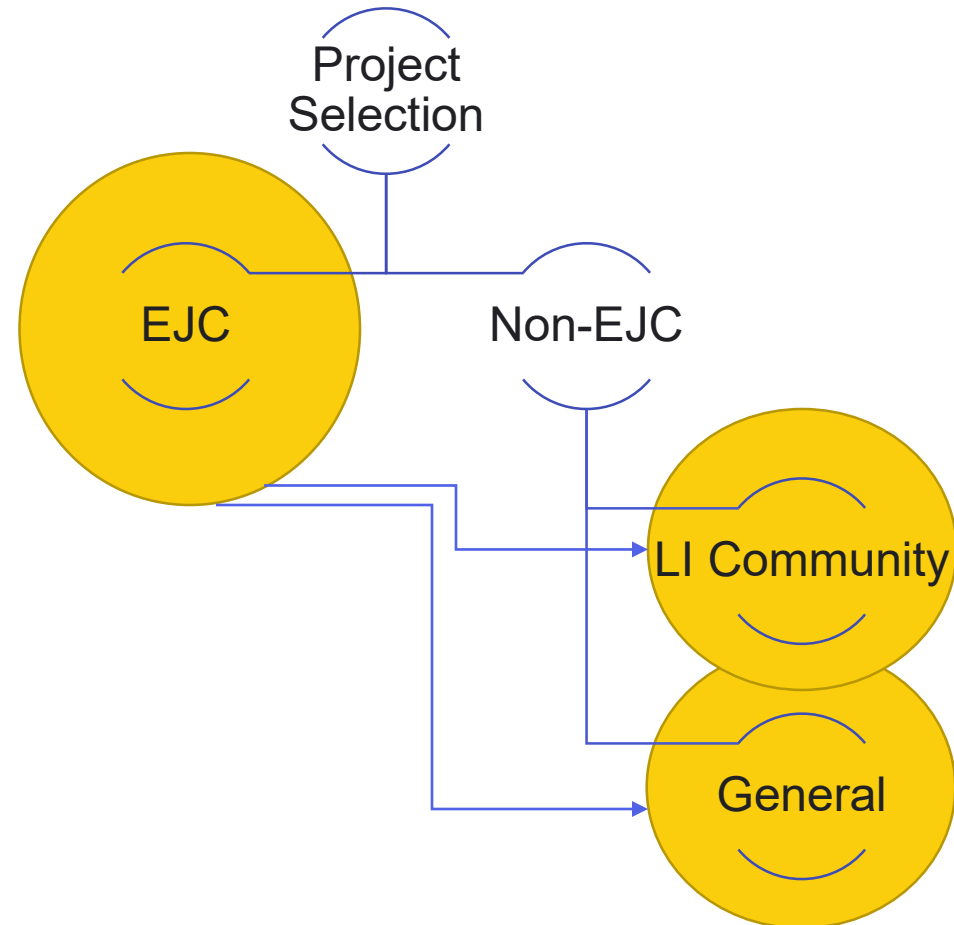
(b) Only if eligible projects submitted exceed annual budget for sub-program

- Points assigned for Environmental Justice Community (EJC), Low-income (LI), minority or women owned business (MWBE) Approved Vendor
- Sub-program points for:
 - Utility Territory Group
 - Project Size
 - Project or Anchor Type
 - 100% subscriber owned



Three Possible Selection Stages

- 25% of incentives targeted for EJC
 - Any projects in EJCs not selected move to one of the two other selections
- 25% of incentives targeted for LI communities
 - Any projects in LI communities not selected move to General
- General project selection for remaining funds



PY1 and PY2 Scoring System

Within each stage, projects are selected by groups of similar points in order of highest to lowest points.

- Points are awarded to a project in two ways:
 - MWBE, EJC, LI, Anchor Type (CS), 100% Subscriber Owned (CS) attributes receive a pre-determined amount of points
 - Additional points awarded based on the diversity of a specific attribute within a sub-program and stage, based on the attribute's percentage of total incentive value.



Protocol Results

The current Protocol was conducted for Low-Income Community Solar projects in both program years 2018-2019 and 2019-2020. The following issues were observed:

Lack of size diversity for submitted and selected projects.

- In PY-2018-2019, all (2) submitted small projects (defined in the current protocol as $\leq 250\text{kW}$) were selected, because the majority of submitted projects were large.
- In PY-2019-2020, no small projects were submitted, therefore only large projects were selected.



Protocol Results

Difficulty maintaining balance of utility territory with selected projects.

- For program years 2018-2019 and 2019-2020, projects were given points based on utility territory at the first selection stage. This resulted in prioritizing the territory with fewer EJC submissions, but not balancing the total selection of projects within the sub-program.
- Although balancing based on utility territory also occurs in the third stage in the selection process, few funds remained to adequately balance projects at this point.

Overview of Proposed Changes to Project Selection Protocol



Overview of Proposed Changes

Proposed changes are based on updates in the IPA's recently revised Long-Term Renewable Resources Procurement Plan (Revised Plan) and observations from previous program years' project selections.

Low-Income Community Solar sub-program:

- Anchor Tenant Scoring (Revised Plan)
- Utility Territory Balancing (past experience)
- System Size (past experience)

Low-Income Distributed Generation sub-program:

- 1-4 unit and 5+ unit projects will be considered two separate project selection processes (Revised Plan)



Proposed Change: Anchor Tenant Scoring

Anchor tenant commitments for Low-Income Community Solar projects will be prioritized as follows:

Attribute	Score
Non-profit/public facility critical service provider and project host	1.75
Non-profit/public facility that is not a critical service provider but is project host	1.25
Non-profit/public facility critical service provider but not the project host	1
Non-profit/public facility that is not a critical service provider and not the project host	0.5
Not a non-profit or public facility	0



Desired Feedback: Anchor Tenant Scoring

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



Proposed Change: Utility Territory Balancing

For Low-Income Community Solar projects, utility territory balancing will occur during Prioritization 2, the LI community allocation, rather than Prioritization 1, the EJC allocation and will be based on the number of projects, not on the proportion of the incentive value of each project type.

- Optimal balancing point based on the number of projects still in the mix during Prioritization 2.
 - Previously, if two projects in each utility service territory were chosen in Prioritization 1, no balancing would occur in subsequent rounds.



Desired Feedback: Utility Territory Balancing

- Does the proposed change 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?

Proposed Change: System Size

To encourage more diversity in the sizes of Low-Income Community Solar projects submitted, the following project sizes will be incentivized with additional points:

Attribute	Score
Projects with a capacity up to and including 100 kW	3
Projects over 100 kW through and including 500 kW	2
Projects over 500kW through and including 1000 kW	1

Projects over 1 MW will not receive points for system size.



Desired Feedback: System Size

- Are there other size categories 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?



Proposed Change:

Distributed Generation Selection Processes

Because the Low-Income Distributed Generation sub-program project selection process must account for both program requirements:

- 75% limit on budget allocation to 5+ unit building projects within the first 9 months of the program year.
- 25% of each sub-program budget must be allocated to projects located in EJs

Two separate project selection processes, one for 1-4 unit building projects and one for 5+ unit building projects will be held for the Low-Income Distributed Generation sub-program, eliminating the need for point balancing for the two program types.



Desired Feedback: Distributed Generation Selection Processes

Are there other ways for this sub-program's project selection process to account for both of these considerations?



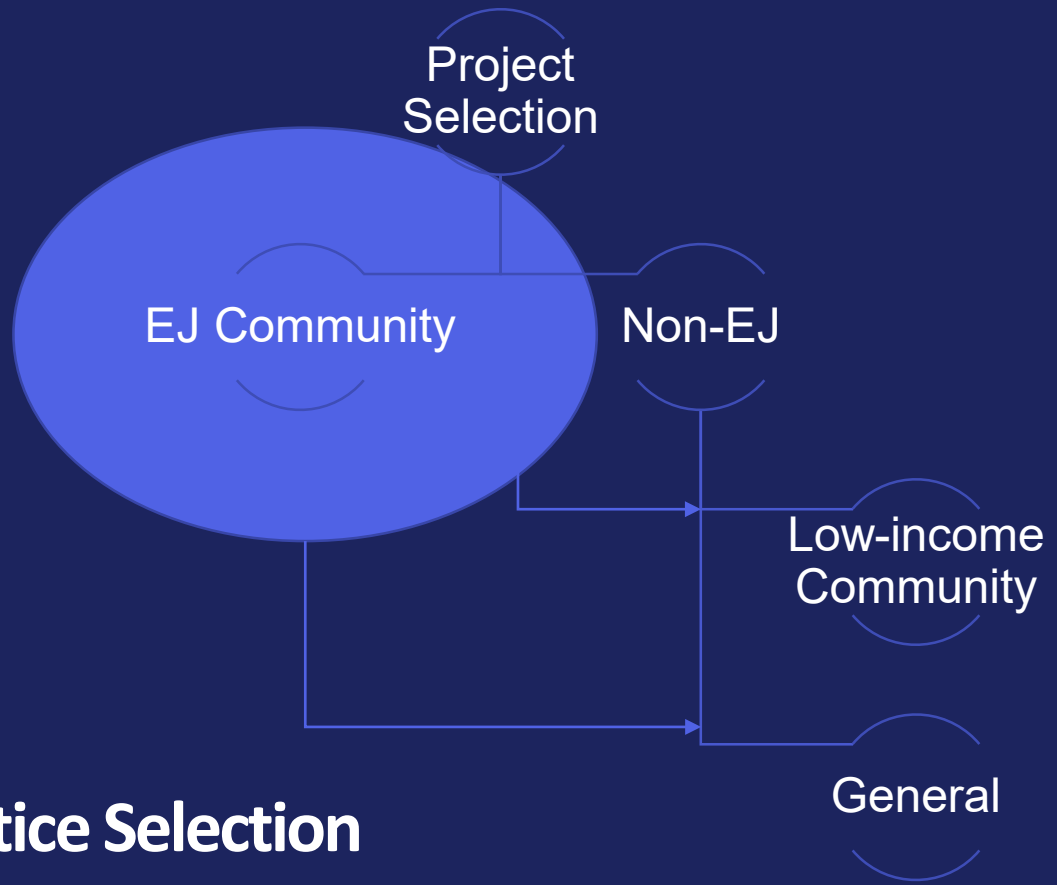
Deep Dive into Examples



Low-Income Community Solar

Example of Updated Project Selection Process





Environmental Justice Selection



Scoring in Practice: LICs, Environmental Justice

Prioritization 1: EJs (assessing total incentive value of qualifying EJC projects only)

Attribute:	Definition:	Score
Low-Income Community	Located within a qualifying ILSFA low-income community	2
MWBE	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.	2
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.	0.5
Project host	Additional if the Anchor NP/PF is also the project host (PH)	0.75
Critical Service Provider	Additional if the Anchor NP/PF is also a critical service provider (CSP)	0.5
System size ≤ 100kW	Eligible project is less than or equal to 100 kW	3
System size > 100 kW ≤ 500 kW	Eligible project is greater than 100 kW and less than or equal to 500 kW	2
System size > 500 kW ≤ 1000 kW	Eligible project is greater than 500 kW and less than or equal to 1000 kW	1
Total possible score:		8.75

Scoring in Practice: LICs

Scenario: 7 projects located in EICs were submitted during initial project submission window, totaling \$22.9M of incentives. The scores are based on these attributes:

- 6 projects are in LI communities
- 1 project is a WMBE
- All 7 projects have anchor types that are NP/PF, PH and CSP
- 1 project is ≤ 100 kW

Highest Score is Project 2:

LI (2), WMBE (2), Anchor Type (1.25), Size Score (1)

SCORE OF 6.25

REMEMBER

Proposed Protocol allocates points based on anchor type and system size, and doesn't balance utility allocation.



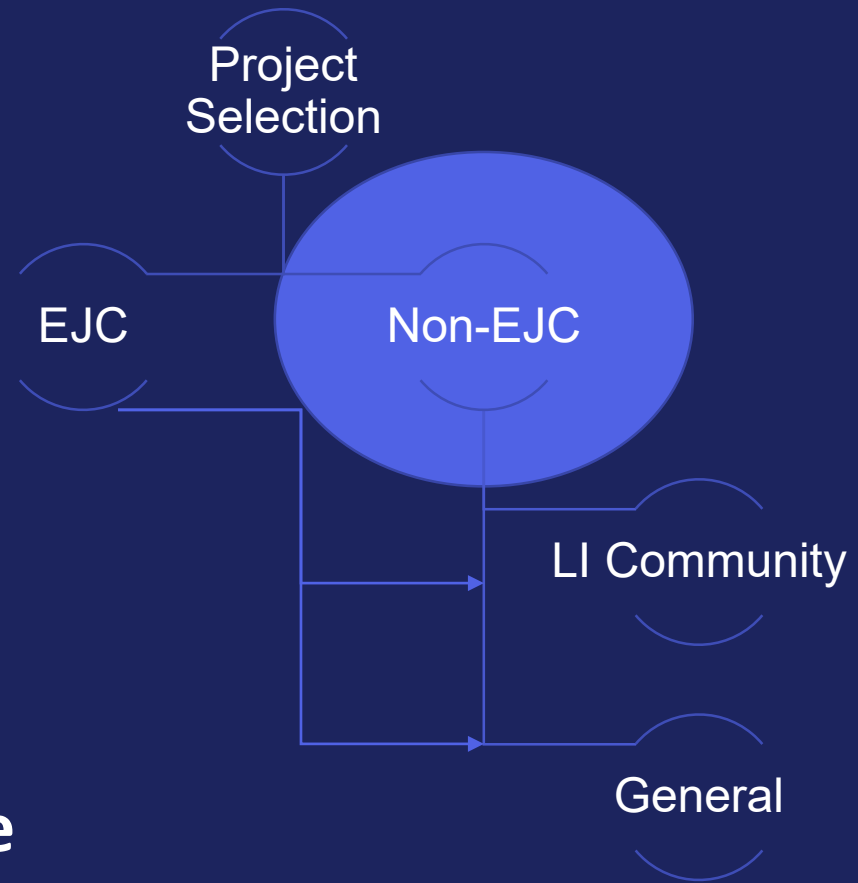
Scoring in Practice: LICs

REMEMBER
Proposed Protocol allocates points based on anchor type and system size and doesn't balance utility allocation.

The projects are scored and the 25% incentive allocation for EJC's is reached (and exceeded) from the 4 highest-scored projects. These projects are selected and the rest move on to Prioritizations 2 and/or 3.

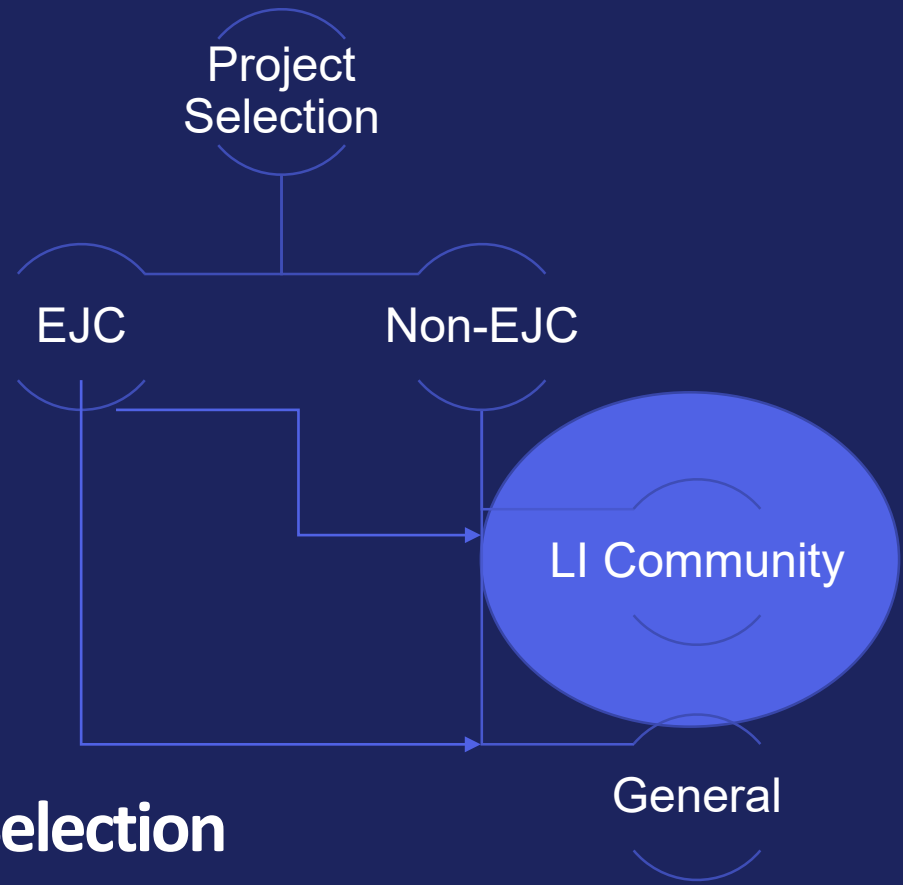
EJ Prioritization			Total Possible Incentives: \$5,913,589				
Project	LI	MWBE	Anchor Type	Size	SCORE	Selected	SELECTED CUMUL \$\$
2	2	2	1.25	1	6.25	*	\$2,170,253
3	2	0	1	3	6	*	\$2,581,835
4	2	0	1	2	5	*	\$5,051,328
1	2	0	1.25	1	4.25	*	\$7,720,117
5	2	0	1.75	0	3.75		
6	2	0	1.75	0	3.75		
7	0	0	0.5	0	0.5		

If non-EJC projects & EJC projects not selected are <75% of the program year incentives and < remaining sub-program budget remaining, they all get selected



Non-Environmental Justice





Low-Income Community Selection

Low-Income Community Selection

- All the scores reset to zero
- Only applies to projects located in LI Communities
- Can include EJC projects if any projects were not selected in previous stage
- Points are given for the utility territory that did not have a project selected in the EJC stage.
- Rescore looking ONLY at those projects participating in LI Community Selection



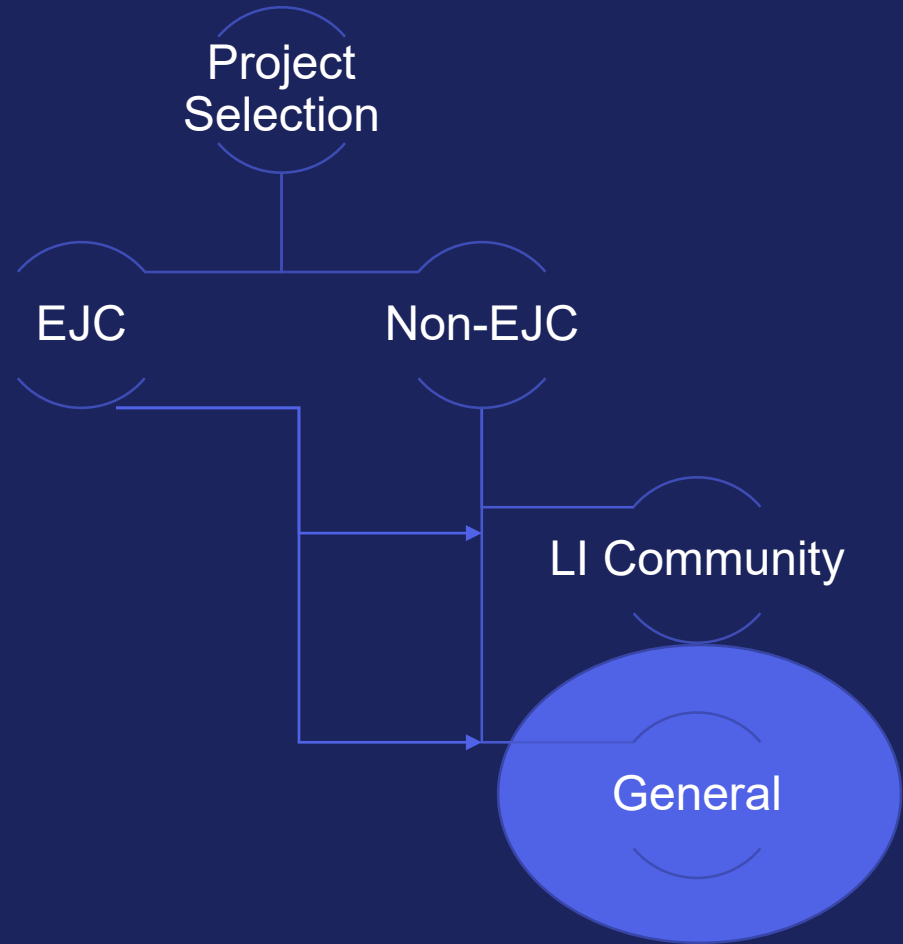
Scoring in Practice: LICs, Low-income Community

Prioritization 2: Low-income Communities (assessing total incentive value of projects in qualified LI Communities)		
Attribute:	Definition:	Score
EJC	Located within a qualifying ILSFA environmental justice community (EJC)	2
MWBE	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.	2
Utility Service Territory not chosen in EJs Prioritization 1	Any utility service territory for which project(s) were not chosen in EJs Prioritization 1	2
Anchor Type	Anchor is a non-profit or public facility. The anchor institution must provide an LOI, and the anchor tenant subscription must be at least 10% and project size, and not more than 40% of project size.	0.5
Project host	Additional if the Anchor NP/PF is also the project host.	0.75
Critical Service Provider	Additional if the Anchor NP/PF is also a critical service provider.	0.5
System size ≤ 100 kW	Eligible project is less than or equal to 100 kW	3
System size > 100 kW ≤ 500 kW	Eligible project is greater than 100 kW and less than or equal to 500 kW	2
System size > 500 kW ≤ 1000 kW	Eligible project is greater than 500 kW and less than or equal to 1000 kW.	1
Total possible score:		10.75

After the LI Selection

- If eligible LI projects submitted were greater than the remaining available incentives, all projects will then be eligible for the General Selection.

General Selection



Scoring in Practice: LICS General Selection

Total possible score:		
Attribute:	Definition:	Score:
EJC	Located within a qualifying ILSFA environmental justice community	2
LI Community	Located within a qualifying ILSFA low-income community	2
MWBE	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.	2
Anchor Type	Anchor is a non-profit or public facility. The anchor institution must provide an LOI, and the anchor tenant subscription must be at least 10% and project size, and not more than 40% of project size.	0.5
Project host	Additional if the Anchor NP/PF is also the project host.	0.75
Critical Service Provider	Additional if the Anchor NP/PF is also a critical service provider	0.5
Total possible score:		7.75



General Selection: Scoring

- If the already-selected projects in a sub-program (after the EJC and LI selection) have an attribute with one category (e.g. for Community Solar - Project Size \leq 500 kW) that is \leq 30%, projects with that attribute value will be chosen in decreasing rank order of score until the total sub-program capacity reaches 30% in that attribute value.

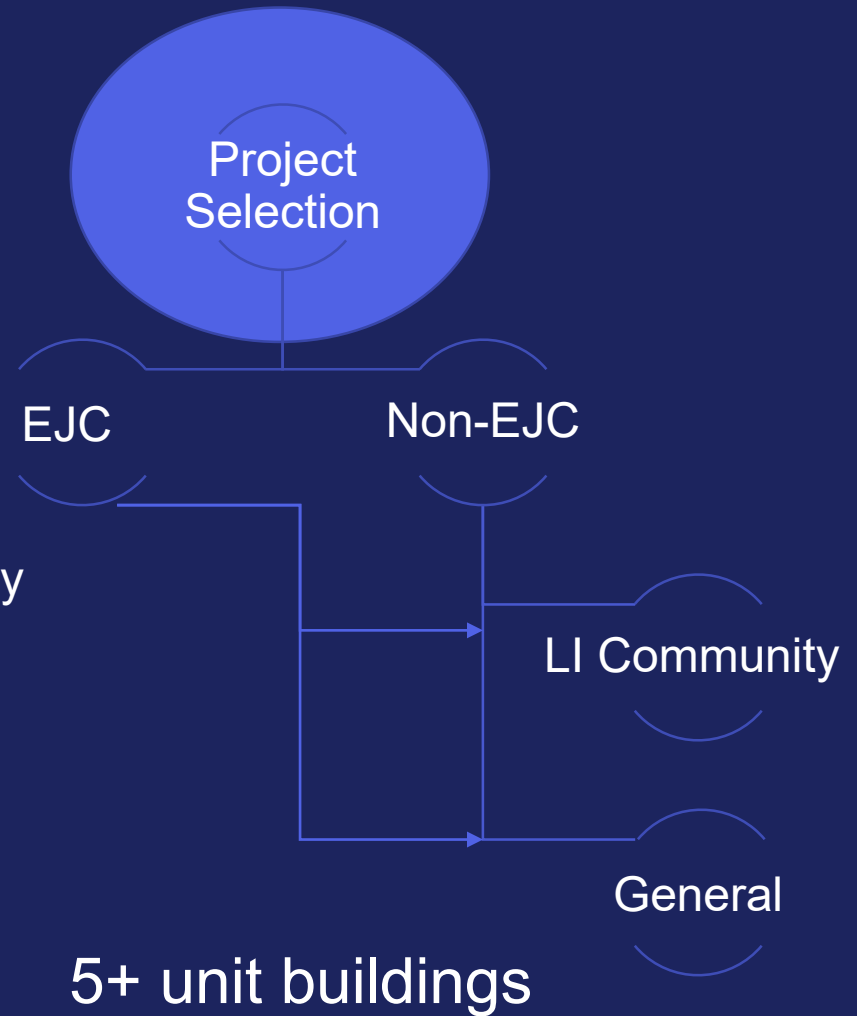
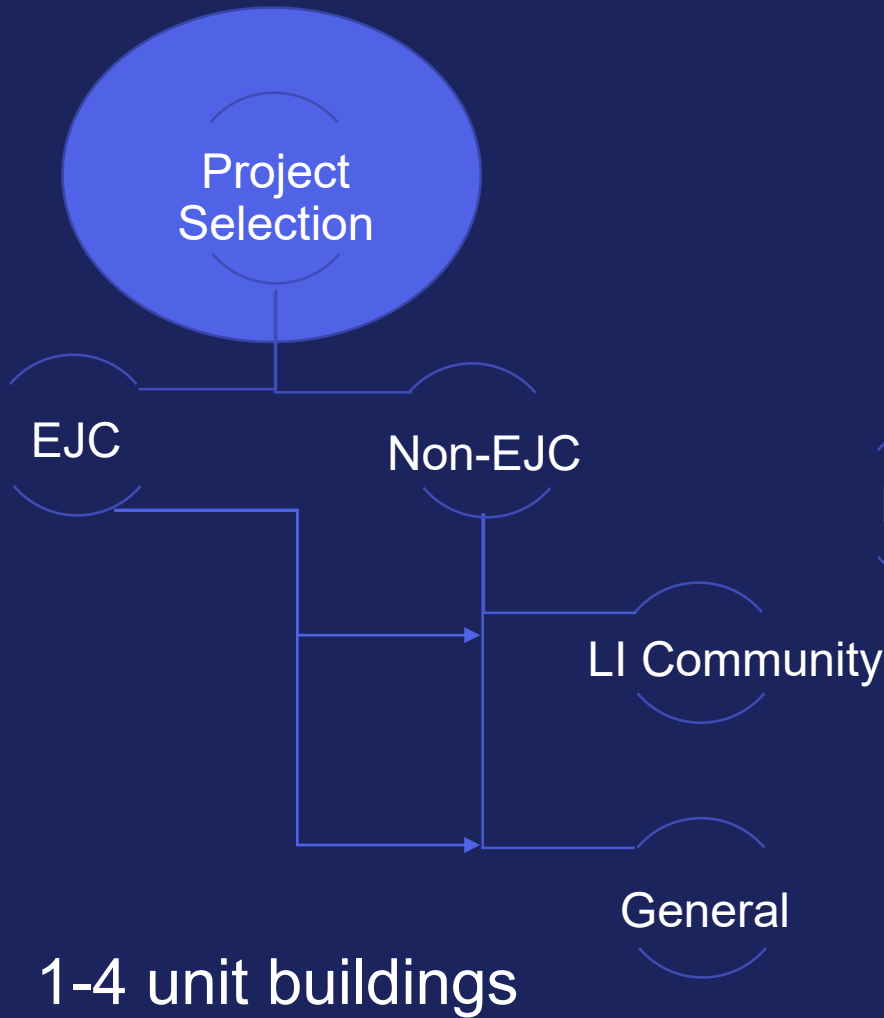
Non-profit/Public Facilities	Community Solar	Distributed Generation
Group (A vs B)	Project Size (500 kW)	Group (A vs B)
Type (NP vs PF)		
Project size (100kW)		



Low-Income Distributed Generation

Example of Updated Project Selection Process





Low-Income Distributed Generation Selection

- 1-4 unit and 5+ unit building project sub-categories will be considered two separate project selection processes, but...
- Two levels need to be looked at simultaneously between the sub-categories
 1. 25% EJC and,
 2. Within the first 9 months, 25% 1-4 unit.
- For the initial selection, each sub-category is looked at:
 - 1-4 unit over/under 25% and
 - 5+ unit over/under 75% of the category budget to determine the need for project selection, but...
- A maximum of 75% in non-EJC needs to be adhered to at all times

Low-Income Distributed Generation Post-Initial Selection

Depending on:

1. The initial submission mix,
2. Whether there may or may not be projects assigned to the waitlist, and
3. Where we are in the timeline; the first 9 months or after,

what to do with each subsequent project submission follows one of 72 different options (53 of which result in approval)

The following slides summarize six general conditions and outcomes

Low-Income Distributed Generation Post-Initial Selection

- 1-4 unit projects located in EJCs are approved if eligible and if there is budget remaining within the LIDG sub-program.
- 1-4 unit projects located in non-EJCs are approved if eligible and if there is budget remaining within the LIDG sub-program EXCEPT if 75% of the total sub-program budget has already been allocated to projects in non-EJCs.



Low-Income Distributed Generation Post-Initial Selection

- 5+ unit projects located in EJCs are approved if eligible and if there is budget remaining within the LIDG sub-program EXCEPT if the incentive value of eligible 1-4 unit projects are still under 25% of the sub-program budget and it is within the first 9 months of the program year, in which case they will be placed on a waitlist. Projects on the waitlist will be approved after the 9th month if budget remains within the sub-program.
- 5+ unit projects located in non-EJCs are approved if eligible and if there is budget remaining within the LIDG sub-program EXCEPT if the incentive value of eligible 1-4 unit projects is under 25% of the total sub-program budget AND the incentive value of eligible projects located in non-EJCs is at 75% of the total budget.



Low-Income Distributed Generation Post-Initial Selection

- 5+ unit projects located in non-EJCs are put on a waitlist if eligible and there is budget remaining within the LIDG sub-program if the incentive value of eligible 1-4 unit projects is under 25% of the total budget AND the incentive value of eligible projects located in non-EJCs is under 75% of the total budget AND it is the first 9 months of the program year.
 - Projects on this waitlist can be approved after the 9th month up until 75% of the budget is reached by projects located in non-EJCs.
- 5+ unit projects located in non-EJCs are put on the waitlist if the incentive value of eligible 1-4 unit buildings is under 25% of the LIDG sub-program budget and the incentive value of eligible projects located in non-EJCs is at 75%.
 - They would only come off the waitlist in the case of a previously eligible 5+ unit project which is located in a non-EJC not moving forward in the program.



Overview of Proposed Changes to MWBE Eligibility



Proposed Changes: Expanded Consideration of MWBEs

- In the Revised Plan, consideration is given to expanding the minority and women business enterprise (MWBE) points in project selection to include Approved Vendors who work with women- or minority owned businesses.
- As a result, the updated Protocol will need to establish:
 - How an Approved Vendor will provide robust documentation of the planned work
 - How an Approved Vendor will be at risk of contract termination if they fail to work with the committed MWBEs.

Desired Feedback: Expanded Consideration of MWBEs

- What percent of project costs should be subject to a MWBE subcontractor commitment? How should projected project cost be verified by the Program Administrator?
- What should be a minimum level of demonstration of MWBE subcontractor commitment?
- What should be allowed in terms of substitution of contractors from the ones initially identified?



Desired Feedback, Cont.:

Expanded Consideration of MWBEs

- Should the MWBE certification requirements for sub-contractors be the same as required for Approved Vendors?
 - A business that is at least 51 percent owned by one or more minorities or by a woman or women.
 - Certification may be by municipal, county, state, or other public or non-public third-party certifying bodies approved by [ComEd/Exelon](#) 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, the City of Chicago, and the Illinois Department of Central Management Services.
- 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?



Proposed Change: Inclusion of Non-Profit Organizations as MWBEs

To expand the definition of MWBE, eligible non-profits could be allowed to receive prioritization points as an MWBE in the ILSFA program, a non-profit must meet all of the following criteria:

- 51% or more of the non-profit's governing board is made up of minority individuals or women
- The executive director (or CEO or president, as applicable) of the non-profit responsible for day-to-day management of the organization is a minority individual and/or woman
- The criteria, or comparable criteria, required of for-profit businesses to receive MWBE certification



Desired Feedback:

Inclusion of Non-Profit Organizations as MWBEs

- 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.)



Discussion



Questions and Discussions

Stakeholder feedback on the following proposed changes is welcome.

- **Minority and Women Business Enterprise**
 - Inclusion of MWBE subcontractors
 - Inclusion of non-profits
- **Low-Income Community Solar**
 - Anchor Tenant Scoring
 - Utility Territory Balancing
 - System Size
 - Anchor Tenant Scoring (Revised Plan)
- **Low-Income Distributed Generation**
 - Separate 1-4 unit and 5+ project selection processes



Contact

Comments are due by Friday,
May 8, 2020 at 5:00 PM CDT
and should be submitted to
comments@IllinoisSFA.com

For other inquiries, contact:
info@IllinoisSFA.com

