

Response to Comments: Referral Proposal

Overview

Following the release of a draft referral proposal and a workshop on December 3, 2020, to discuss the proposal and barriers to Low-Income Distributed Generation (LIDG) sub-program participation, the Program Administrator and the Illinois Power Agency (the “Program Team”) published an updated LIDG Referral Proposal on January 7, 2021, with a request for public comments due on February 1, 2021. Three parties submitted written comments. The Program Team has considered these written comments and is appreciative of the thoughtful input provided by the commenters. A final LIDG Referral Process is presented below.

Comments have been summarized and addressed by topic below: Part 1: Responses to the proposed LIDG Referral Process; Part 2: Recommendations for removing barriers to LIDG participation; and Part 3: Recommendations for overall program improvement. Note that only Part 1 relates directly to proposed changes to the LIDG Referral Process.

Finalized Referral Process for 1-4 Unit LIDG Projects

The Program Team will begin using the following referral process for 1-4 unit LIDG projects on April 26, 2021:

1. Approved Vendors interested in participating in the referral program will indicate interest to the Program Administrator by submitting a 1-4 unit building LIDG offer and agreeing to adhere to the applicable consumer protections (detailed below).
2. Interested participants will indicate interest to the Program Administrator via the ILSFA website, email, call center, or other available communication channels.
3. Interested participants will be informed of the number of Approved Vendors participating in the referral program in their area, in addition to their offers. Interested participants will also be informed of how many outreach attempts they can expect from Approved Vendors if they elect to participate in the referral process.
If no applicable Approved Vendors are available (in the geography, for the site/roof type, etc.), the Program Administrator will check monthly and follow up with the potential participant if/when an applicable Approved Vendor becomes available.
4. Interested households will be pre-screened for income eligibility before participating in the referral process. This “pre-screening” consists of asking the potential participant to state their household income and household size, but is not a guarantee of ILSFA eligibility until the customer completes a formal income verification.
5. Participants in the referral process will be asked to share basic information about their home (e.g., condition of the property’s roof and type of electrical panel) to assess their site suitability. Interested households can then agree to have their information shared with Approved Vendors.

6. The Program Administrator will compile all referral requests that complete the pre-screening process and provide them to participating Approved Vendors on a weekly basis.

Interested participants can choose to have their income verification conducted by the Program Administrator before or after participating in the referral process, at the participant's discretion. Participants can also choose to have their income verification completed by the Approved Vendor of their choice.

If participants choose to have their income verification conducted by the Program Administrator, they can do so in one of three ways. Individual members of the same household, over the age of 18, may use different options to determine household income eligibility.

- **Option 1:** Provide proof of enrollment in an income-eligible program such as LIHEAP and SNAP.
- **Option 2:** Income verification through a credit reporting agency. This option requires providing basic personal information such as name, full DOB, and address, and in some limited circumstances social security numbers, to be entered in a credit reporting agency's secure portal.
- **Option 3:** Income Affidavit: a form when income documentation is required but not available in cases such as cash income or no income. The Income Affidavit can only be used in limited circumstances and cannot be used if you are able to utilize Option 1 or Option 2.

To participate in the referral program, Approved Vendors are required to submit a standard offer, which identifies the details of their service offering based on standard parameters. By submitting the standard offer, Approved Vendors agree to the following:

- Approved Vendors choosing to engage a particular customer will contact the interested household within 5 business days of receiving a referral. Approved Vendors who will temporarily be unable to meet this expectation (due to vacation, illness, etc.) should notify the Program Administrator in advance.
- No information about the interested household may be shared with any third party (with the exception of subcontractors or ILSFA implementation partners for the sole purpose of responding to the referral). If the household does not respond to the Approved Vendor's outreach or declines services from the Approved Vendor, the Approved Vendor will not continue to use the customer's information.
- Calls and emails should be limited to four touches (in total) and be suspended immediately if the household asks not to be contacted again or declines services from the Approved Vendor.

The Program Administrator (or, as appropriate, grassroots education organizations) may periodically follow up with participating households to assess their participation in the program.

If that follow-up indicates that Approved Vendors are not complying with these requirements, Approved Vendors may be removed from the referral program at the discretion of the Program Team. Participation in this referral process is discretionary for the potential participant and for Approved Vendors.

Aggregated, anonymous information about the number, type (e.g., single family, pitched roof, etc.), and geography of referrals will be shared with all Approved Vendors on a regular basis to inform decisions by Approved Vendors about new markets. Approved Vendors may at any point submit a standardized 1-4 LIDG offer and agree to adhere to the applicable consumer protections to participate in the referral process. Approved Vendors who wish to submit a standardized 1-4 LIDG offer should email info@illinoisSFA.com. Approved Vendors that wish to discontinue participation in the referral process (e.g., due to vendor capacity or seasonal considerations) should notify the Program Administrator promptly if they wish to change the terms of their standard offer or no longer be included in the referral process.

Stakeholder Comments and Responses

Part 1: Responses to the Proposed LIDG Referral Process

Approved Vendor Participation

- *If there were groups of 10+ homes in an unserved area that would make it much more attractive for Approved Vendors to venture outside of their current territory.*
- *Referrals should be available to all approved vendors. If there are a large number of interested buyers, that could encourage additional Approved Vendors to participate.*
- *[R]eferrals should be limited to those AVs that have provided offers that meet the requirements of the program” because “it is essential that potential customers have a positive experience when interacting with the various players in the subprogram (e.g., Elevate Energy, AVs, grassroots educators) so that we can help build trust in and support for the program. To that end, the Program Administrator should only share customer contacts with AVs (or their designees) that have a viable financial product and have committed to building DG projects.*

The Program Team seeks to support the participation of Approved Vendors either new to the LIDG program or who wish to expand their geographic reach to currently underserved areas of the state to provide more options for potential LIDG participants. Sharing referrals with all Approved Vendors has the benefit of allowing Approved Vendors to understand the level of interest and common primary system features (e.g., single family home, pitched roof) in a particular geography before determining whether they will pursue a new market. However, the Program Team appreciates that participant trust and understanding of opportunities available are paramount, and therefore agrees with the latter comments recommending that referrals only

be shared with Approved Vendors who have submitted viable, standardized offers. In order to help Approved Vendors understand the level of interest in participating in the LIDG program across markets, which may lead to the creation of new standardized offers by Approved Vendors seeking to expand their reach, the Program Team plans to share non-identifying information about the number and common system features of referrals on a regularly (monthly or bi-monthly) schedule with Approved Vendors. The goal of sharing this information will be to encourage the development of new or expanded offers by Approved Vendors by helping Approved Vendors to better evaluate levels of interest across geographies.

Process for engaging with potential participants

- *Only customers who opt in... should have their information shared.*
- *Clear expectation setting and regular communication with potential participants are crucial to the success of the program.*
- *A comprehensive onboarding portal should be created to support participant understanding of their options in a centralized way.*

The Program Team agrees that participation in the new referral process should be discretionary, with neither Approved Vendors nor potential participants being compelled to use it. One commenter emphasized the importance of setting clear expectations around the availability (or lack thereof) of Approved Vendors and the importance of the Program Administrator checking in with referral process participants, as well as those on waiting lists for available Approved Vendors. The Program Team shares the belief in the importance of regular communications with potential participants and will use existing systems and processes to schedule and log Program Administrator communications with potential participants to ensure regular communication by the Program Administrator, as well as Approved Vendors, by identifying potential participants that are not receiving initial follow up communications from participating Approved Vendors or are not receiving responses after initial contact from Approved Vendors. Approved Vendors who choose to participate in the referral process agree to reach out to interested participants within 5 business days of receiving their information.

A recommendation was made for a comprehensive onboarding portal for potential participants. The Program Team agrees that this would be convenient for potential participants and could reduce administrative burden. The new option for income verification by the Program Administrator moves in this direction by requesting some of the information recommended for an onboarding portal, but still requires a follow up call from the Program Administrator, with the benefits of direct, personal connection with interested participants and the disadvantage of administrative costs. The Program Team agrees that a comprehensive onboarding portal is a useful customer tool and will work to incorporate these suggestions to the existing structure during Program Year 4.

Part 2: Recommendations for Removing Barriers to LIDG Participation

Deferred maintenance

- *Two recommendations were made to create programs that increase a potential participant's ability to take part in ILSFA, such as a designated fund for deferred maintenance.*

The Program Team understands deferred maintenance to be a major barrier and supports the goal of addressing this and other barriers to participation for potential participants. The Program Team will explore possibilities for addressing maintenance barriers to enable more homeowners to benefit from ILSFA.

LIDG offers document

- *Expand information included in the LIDG offers document.*

One commenter noted that additional information on the LIDG offers document would be helpful and listed six recommendations for new information. The Program Team will collect information from Approved Vendors on five out of the six recommended subjects and will add this information to the 1-4 unit LIDG offers document. The Program Team determined that information on potential power escalators is too technical to be included in the revised LIDG offers document and that the advantages of a more easily understood document that draws attention to key features outweigh greater specificity on this subject.

Integration of ILSFA with income eligible energy efficiency programs

- *Illinois Solar for All is missing an opportunity in working with Community Action Agencies with the Weatherization Program for residential solar. All of our Weatherization customers are income eligible for Illinois Solar for All. We have assessors completing an assessment for Weatherization. They could easily be trained to complete a solar assessment at the same time. After the assessment, we then could refer them to the vendors.*
- *Financial incentives should be provided to incentivize pairing energy efficiency with solar.*
- *Including energy efficiency savings in the required 50% calculation could be one way to incentivize pairing energy efficiency and solar.*

The Program Team agrees that the partnership with IHWAP administrators would create a beneficial connection to eligible customers and streamline the process of pairing energy efficiency with solar. Talks have been initiated about streamlining participation in these programs with a goal of creating this pipeline. Discussions include what funding, if any, would be required to support these efforts and where that funding could come from.

Two commenters recommended the creation of financial incentives to combine the ILSFA LIDG sub-program with energy efficiency programs. In part, it was recommended that the 50% savings calculation include quantifiable energy savings realized from energy efficiency work. Savings requirements were established as a part of the IPA's Long-Term Plan. Financial or other incentives for pairing energy efficiency with solar can be considered in future updates to the Long-Term Plan.

Part 3: Recommendations for Overall Program Improvement

Timing

- *Project approval time is lengthy.*

It was noted in the comments that speeding up the project review process is critical. The Program Team agrees and has taken steps that have resulted in a faster review process. For example, most recently, a LIDG batch submitted for review on February 1, 2021, was sent to the ICC for approval on February 18, 2021. The Program Team will continue to make process improvements that increase the speed of project review.

Grassroots education

- *Through future stakeholder feedback opportunities and/or the next update to the Long-Term Plan, explore opening the door to direct connectivity between AVs and grassroots educators.*

The Program Team agrees that more frequent communication between grassroots education organizations and Approved Vendors will help to clarify offers and benefit customers, and is scheduling regular meetings with the goal of sharing program, project, and outreach updates, as well as providing a platform to quickly resolve questions or issues.

Program implementation

- *Reduce paperwork and redundancies.*
- *Reduce the number of documents requiring participant signatures.*
- *Ensure clear and consistent expectation setting and communications from the program administrator.*
- *Adjust process to more closely resemble the ABP program.*

Several recommendations for implementation improvements were made. These included reducing paperwork, especially redundancies, between forms to be scanned and those to be submitted through the portal; reducing redundancy between the Certification and Consent and other income verification documents and streamlining; reducing the number of documents requiring a signature from customers; and addressing shifting expectations/unclear communication from the Program Administrator. A recommendation was also made to adjust the

vetting and submission process to resemble the ABP process. The Program Team strives for efficiency while focusing on consumer protections and program integrity and will continue to improve processes with these goals in mind.

Income verification

- *Income verification should be valid for 12 months rather than 6.*
- *Potential participants should be informed of the availability of AVs before starting the income verification process.*
- *Third party programs such as LIHEAP and IHWAP should confer income eligibility for potential ILSFA participants.*

One commenter recommended that income verification be valid for 12 months instead of 6 months. The Program Team agrees that this change would make the process easier for potential participants; however, because the 6-month period is written into the IPA's Long-Term Plan¹, this change would need to be made there.

Another comment flagged the need to inform potential participants about Approved Vendor availability before completing the income verification process. The Program Team agrees that potential participants should be informed of their opportunities before undergoing the income verification process and will ensure that the process reflects this

A comment recommends that income-eligible energy efficiency programs such as LIHEAP and IHWAP serve as "third-party qualifying programs." These programs are already considered as such in most cases. Because updates to the income threshold for ILSFA are made every five years and updates to LIHEAP and IHWAP are made annually, there are circumstances under which a household qualifying for LIHEAP or IHWAP would not also qualify for ILSFA. Changes could be made to the IPA's Long-Term Plan to address this.

Contracts & Financing

- *Create a boilerplate contract for standard PPA or lease agreements.*
 - *Third party aggregator could create a standard PPA, lease, or loan-to-own offer that contractors could offer to customers. This could also take advantage of on-bill financing opportunities. This memo points to the possibility of a "Green Bank" structure to coordinate an on-bill repayment program to catalyze the ILSFA LIDG subprogram.*

These recommendations would require changes to the IPA's Long-Term Plan (or in the case of the Green Bank structure, legislative action). One possibility would be expanding language already identified in the contract requirements documents ([community solar](#) and [LIDG](#)) that needs to be

¹ The Long-Term Plan states that "the potential subscriber may request income verification directly through the Program Administrator and, if approved, that verification would remain valid for six months."

in every contract with a focus on consumer protection requirements. In the meantime, the Program Team will work to identify and share additional resources that may be helpful.

REC price increases

- *Consider increasing REC prices in underserved geographies.*

One commenter noted that it may be time to consider increasing REC prices in unserved geographies. REC price changes within 25 percent can be made by the IPA without changes to the Long-Term Plan. More substantial changes would likely need to be pursued in the next Long-Term Plan update (which would be approved in early 2022). A stakeholder feedback process for changes up to 25 percent is required and the IPA is considering initiating this process (which, if price changes are adopted, could take effect during Program Year 4). The Program Team notes that REC prices are intended to include customer acquisition and support by the Approved Vendor and that any funding adjustments should take into account the shifting responsibilities from Approved Vendors to the Program Administrator (e.g., income verification option now provided by the Program Administrator).

A comment was made that the LIDG program should match or exceed margins in the ABP program. REC prices for ILSFA are considerably higher than prices in the ABP at present to address the additional burden associated with ILSFA project development. Additional details about Approved Vendor administrative burden or other financing issues are helpful and welcomed by the Program Team and can be shared by emailing info@IllinoisSFA.com.