

09.10.2024

Response to Comments: Home Repairs and Upgrades Initiative Design Updates

Overview

The Illinois Power Agency (the “Agency”) and the Illinois Solar for All (ILSFA) Program Administrator (the “Program Team”) have reviewed feedback from stakeholders and other interested parties on the proposed changes to the Home Repairs and Upgrades Initiative (the “Initiative”) design for the 2024-2025 Program Year. One party submitted written comments. Request for feedback on the proposed changes to the Home Repairs and Upgrades 2024-2025 Program Year Design was issued on July 10, 2024, with public comments due on July 24, 2024. The Program Administrator held a webinar on July 22, 2024, to discuss the Initiative and the proposed updates. The Program Team has considered these written comments and appreciates the thoughtful input provided by the commenter. Comments have been included and summarized below.

Obstacles to Primary Goals of Initiative

FEEDBACK :

“We strongly support the Administration's proposed changes regarding eliminating written communications regarding third party funding, increasing the cost caps for roofing, electrical work, and permit fees, and adding an administrative fee (though \$100 seems negligible), but believe these changes will not address what we see as the primary obstacles to meeting the pilot goals.

Based on conversations with Approved Vendors and designees, we understand that the two insurmountable obstacles to participation in this pilot are: 1) an inability or unwillingness to front the capital for roof repair and/or electrical upgrades and 2) the inherent risk in uncovering additional damage after roof repair work has begun, resulting in costs exceeding the caps.

We understand that a lack of access to capital is already preventing several AVs that would like to participate in the ILSFA residential subprogram from doing so. Expecting additional AVs to join the pilot when the upfront cost barrier has not been addressed seems unreasonable. Perhaps the Administrator can work with the IL Climate Bank to determine if and when financial products and grant funds will be available, and adjust the reopening of this pilot accordingly.

Also, while increasing the cost caps may be enough to attract AVs, even with a cost cap of \$14,000, the risk of uncovered costs still seems quite high. We believe there is no circumstance under which an Approved Vendor should shoulder the cost of a roof repair. Perhaps funds could be set aside to cover unanticipated repairs discovered once repair work has been initiated. The AVs should be held to a high standard of roof inspection before having access to any of these funds.”

RESPONSE :

The Program Administrator thanks the commenter for their feedback on the Home Repairs and Upgrades Initiative and acknowledges that the commenter supports the proposed changes regarding eliminating written communications regarding third-party funding, increasing the cost caps for the existing home repair items, and adding an administrative fee. The Program Administrator also acknowledges that the commenter does not believe that these proposed changes will adequately address what they consider to be the main obstacles to achieving the pilot's objectives.

The Program Administrator recognizes the various barriers to participation in the Initiative the commenter mentioned (having to provide upfront funding for the home repair and upgrade costs until the renewable energy credit (“REC”) payment with the adder is received and the risks associated with uncovering additional home repair needs

during construction). The Program Administrator understands that the lack of access to capital prevents several Approved Vendors (“AVs”) from participating in the Initiative as well as the Residential Solar sub-program as a whole. However, pursuant to Sections 1-56(b)(1-3) of the Illinois Power Agency Act (20 ILCS/3855), the Agency is only authorized to administer upfront REC payments under ICC-approved procurement plans once the device is interconnected and verified as energized. This statute does not authorize non-REC payments to participants; payments may only be made in exchange for RECs, which are purchased and paid out after ICC approval and system energization. The Illinois Department of Commerce and Economic Opportunity (DCEO) offers grants that provide pre-development funding for energy efficiency and renewable energy projects, including solar. The ILSFA team has been sharing these opportunities with AVs and small and emerging businesses as they become available.

As the commenter pointed out, the Illinois Climate Bank is developing financial products and initiatives to expand the Illinois Solar for All program that will include enabling upgrades. These new products and initiatives with the Illinois Climate Bank will likely be rolled out later in Program Year 7 or Program Year 8. Thus, the Home Repairs and Upgrades Initiative will continue to be available for Approved Vendors as the Illinois Climate Bank works out the details for its awarded funding. The Program Team is gathering feedback and data from the Home Repairs and Upgrades Initiative to learn about the barriers to participation in the Residential Solar (Small) sub-program and the issue of deferred maintenance. Another year of the Initiative is intended to support improvements, not only to the Illinois Solar for All program, but potentially the Illinois Climate Bank as well, as it prepares for the rollout of its products and initiatives. We look forward to potentially contributing our insights and providing direction for the integration of this funding into Illinois Solar for All.

The Program Administrator acknowledges that the \$100 administrative fee and the increased cost cap of \$14,000 for roof and structural repairs may not be sufficient to attract all Approved Vendors to participate in the Home Repairs and Upgrades Initiative. Thus, the Program Administrator has increased the administrative fee to \$450 to better accommodate for the administrative work associated with the Initiative. The cost cap for roof and structural repairs will remain at \$14,000. The administrative flat fee of \$450 was determined based on the average 6 hours per project Approved Vendors typically spend on the administrative work associated with the Initiative. The Program Administrator believes that \$75 per hour is fair compensation for the administrative work involved in participating in the Initiative (6 hours x \$75 = \$450).

Adding Tree Alteration to the List of Eligible Repairs and Upgrades

FEEDBACK :

“Finally, we hold serious concerns about the use of public funds to remove trees. Although tree removal can in certain circumstances be beneficial, we believe the Administrator should award such funds with caution, requiring a demonstration via photo and/or video that the tree slated for removal is dead, diseased, decaying, or deemed hazardous to the property. In addition, an applicant for tree removal funds should demonstrate compliance with tree-removal regulations issued by the authority having jurisdiction.”

RESPONSE :

While the Program Administrator appreciates that tree removal may be a potential expense for some solar installations to increase their output, the Program Administrator has determined that tree alteration is not an eligible repair and upgrades item within the Home Repairs and Upgrades Initiative. As stated in the Illinois Power Agency’s 2024 Long-Term Renewable Resources Procurement Plan, “The [Initiative] will only support repairs and upgrades required for solar photovoltaics installation on the premises, such as electrical work, breaker panel upgrades, and roof repairs, beyond those of a normal solar installation.” Thus, tree alteration is outside the scope of this Initiative.