

Selenium Energy

[REDACTED]
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Re: Response to the Bright Neighborhoods Initiative Report

To Program Administrator:

Selenium Energy has thoroughly reviewed the Program Administrator's assessment of the Bright Neighborhoods Initiative report and hereby submits this official response.

We acknowledge the design barrier for grassroots educators and companies, which we understand might be in place to protect consumers from potential deceptive sales tactics. However, we believe there are many more effective ways to safeguard consumer interests while still allowing grassroots organizations to contribute meaningfully.

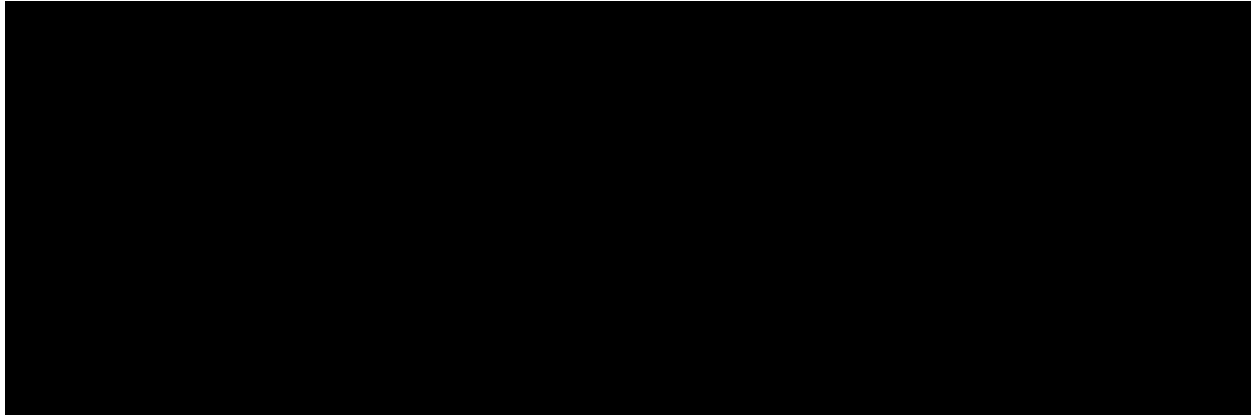
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Communities like West Garfield Park and others on Chicago's West Side have historically faced numerous social challenges. The residents of these areas deserve to benefit from the renewable energy ecosystem. Selenium Energy supports the expansion of the initiative to include additional West Side communities such as Austin, Humboldt Park, East Garfield Park, North and South Lawndale.

[REDACTED]

Proposed Solutions to Improve the Pilot:



Thank you for your consideration.

Sincerely,

Troyce Polk

Troyce Polk
Managing Director
Selenium Energy

To: Bright@illinoisSFA.com

From: Below listed signatories

Re: Feedback on Bright Neighborhoods Pilot

Date: July 10, 2024

Thank you for opening up this process to the public and requesting feedback. And, thank you for all of your hard work in trying to make this pilot a success. The signatories include organizations that are deeply familiar with the design and operation of the Bright Neighborhoods Pilot, as well as the very challenging circumstances surrounding building trust in the ILSFA residential program among homeowners while enhancing their capacity to engage.

We have been following the roll out and periodic updates provided, and have carefully reviewed the 2023-2024 Program Year Report, including the significant resources expended for minimal return. We strongly believe it is time to terminate the Bright Neighborhoods Pilot and turn the Administrator's and the Agency's focus to working with the IL Climate Bank on developing financial products sorely needed for the success of the residential program, namely, bridge loans, standard lease and/or power purchase agreements, and a roof repair grant program. The grassroots education program was designed to raise awareness, educate, and assist people in obtaining the benefits of solar, and has a very significant budget. Both the Agency and the Administrator should leave that work to the grassroots educators and work to better equip those organizations with the support and tools needed to carry out these functions. We also fear that due to the challenges already encountered, continuing the pilot may damage the public perception of Illinois Solar for All. Neighbors who struggled and/or were turned away in the process may spread these negative experiences to others.

Finally, we understand that the participating Approved Vendors were disappointed with the experience for a number of reasons including time and money expended by their companies with no financial return, and the lack of knowledge or experience of pilot staff regarding the communities served.

As we enter Program Year 7, it is clear that the ILSFA residential program as designed is not working. Approved Vendor participation is dismally low, and every year the budget is woefully underutilized. Putting more resources into Bright Neighborhoods is not the answer, particularly when significant federal resources will be coming to Illinois to assist both homeowners and small and emerging vendors.

We are sorry that the results are not what we all hoped for. We know that Elevate and IPA worked hard to design the pilot (welcoming significant public input) and to make adjustments as challenges emerged. But real structural barriers remain that this pilot cannot address, no matter how many adjustments. Let's turn to addressing those barriers that are preventing vendors and homeowners from fully engaging.

A Just Harvest

Vote Solar

Citizens Utility Board

Faith in Place

People for Community Recovery

Seven Generations

Sustain Rockford

ILSFA Team,

UpSouth Energy, StraightUp Solar, & Ailey Solar provide the following feedback on your recommendations for Year 2 changes to the Bright Neighborhoods program. Thank you for the opportunity to participate in and gain experience from the pilot as well as provide our perspective which you will hopefully find useful for the Year 2 program.

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- 2.
3. The Program Administrator recommends maintaining the Waukegan and Carbondale-Marion Micropolitan
4. Areas and expanding the West Garfield Park community areas during Program Year 7
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 - Feedback: Retain them if you can find Approved Vendors/Designees willing to participate
 - in the program. Experience has shown that residences in these areas have significant electrical and structural issues. Until and unless there are programs to address these issues BEFORE passing them on to an AV, one should expect Year 2 results similar to
 - Year 1.
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- 6.
- 7.
8. The Program Administrator recommends expanding the West Garfield Park Chicago community
9. area to include more of the West Side of Chicago. This includes the Humboldt Park, Austin, West and East Garfield Park, North and South Lawndale neighborhoods. West Town, the Near West Side, and the Lower West Side are not included (due to lower numbers of
10. income-eligible residents).
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 - Feedback: No comment (our companies did not participate in this community)..
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- 13.

14. The Program Administrator recommends setting a goal for the number of intake forms in
15. each community of 100-200 interested residents to assess how these tactics increase awareness in each community.

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- Feedback: If these are the new intake goals then the referral and installation goals that follow are incorrectly disproportionate. Please see responses to Questions 4 & 5.
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19. The Program Administrator recommends setting a goal for the number of participant referrals

20. to the selected Approved Vendors at 30-50 in each community

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- Feedback: The 2023-2024 pilot produced 16 referrals via 151 intakes for an approximate ratio of 1:10. This means the referral goal for 100-200 intakes should be closer to 10-20 if the same income eligibility qualification rules are followed for 2024-2025. Additionally, a “referral” needs to have more qualifications than just income eligibility.
- Homeowners were referred to AVs and AVDs only to discover, for example, that their main breaker panel had caught fire and was non-functional. There are some basic questions the Program Administrator (PA) should answer before sending a referral. These include
- questions on the electrical system and roof age and condition. This will appropriately redirect many applicants to HRUP or community solar options early and spare them weeks and months of anticipating an array only to be told that their home does not qualify.
- This leaves a bad taste in the mouth of the applicant who is unlikely to say kind things about the program to neighbors. This response also applies to Question 7.
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24. The Program Administrator recommends a new goal of 20-25 installations in each community.

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- Feedback: Typically, IL Shines residential lead-to-contract ratios are approximately
- 10:1. Conversion ratios are even lower for ILSFA participants given the challenges we learned about from the 2023-2024 pilot. 100-200 intakes should have a goal of 5-10 installations, and even that feels optimistic unless the solar referrals have already
- cleared a HRUP process .
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28. The Program Administrator recommends tracking these community solar subscriptions in

29. neighboring communities that share a border with the selected initiative communities and the community has a high percentage of income-eligible residents.

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- Feedback: No comment, other than every homeowner approached about a Bright Neighborhoods
- home installation opportunity should be offered an equally enthusiastic community solar opportunity outreach and then be allowed to make a choice. Our parties (UpSouth Energy, StraightUp Solar, and Ailey Solar) all feel that community solar is generally a
- superior option for ILSFA-eligible homeowners if the subscription discount yields similar rate savings. The feeling is that the most commonly encountered necessary housing stock upgrades upend the financials for 3rd party or direct ownership. Beyond the housing
- stock upgrade issues, there are often challenges associated with shading and small roof areas for solar. We recommend including a community solar AV alongside the DG AV for the Year 2 program.
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33. The Program Administrator recommends integrating the Site Prescreening Survey into the

34. income eligibility intake form to gather this information from the participant in one form to share with the Approved Vendor during the referral.

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- Feedback: Only concur if the Site Screening Survey includes the enhanced questions provided
- by the AVD that were used for a period and then withdrawn during the last months of the pilot. Moving away from the enhanced screening question shifted the burden of collecting this often-difficult-to-obtain information to the Designee who is not compensated
- for the effort to collect this critical go/no-go information. It may be most efficient to use a single enhanced Site Screening Survey to collect information for both solar potential and the need for home repairs and upgrades. To reiterate, HRUP screening
- should be completed BEFORE making any representations to participants about solar potential. A suggested approach is:
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 - Income verification
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 - Electrical verification and correction of any issues
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 - Structural evaluation and correction of any issues
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 - Solar evaluation
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38. Adding a preference on the RFP that would give additional points to a vendor who is willing

39. to work on the Home Repairs and Upgrades Pilot. The prioritization for Small and Emerging businesses would remain on the RFP, but the selected vendor would not be required to meet both preferences.

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- Feedback: Seeking vendors who are qualified to work on the Home Repairs and Upgrades
- Pilot is a correct approach, however, our experience indicates that this will lead to an impossibly small pool of providers who are both capable of and willing to take on the combined work at the compensation rates both the HRUP and Bright Neighborhoods programs.
- It is our opinion that this will take considerably more incentive resources to motivate any approved vendors to take this on. Additionally, the HRUP should pay upfront. It is not reasonable to ask an AV to front up to \$10k per home for 18-20 months to await
- SREC-based compensation.
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43. Explore the opportunity for mentorship where the Approved Vendor works with a designee,

44. the designee qualifies as a small and emerging business, and the Approved Vendor can financially support participation in the Home Repairs and Upgrades Pilot while achieving the small and emerging business prioritization with the designee.

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- Feedback: Seeking vendors who are willing to mentor and financially support designees
- growing into the Home Repairs and Upgrades Pilot is commendable, however like the answer before, our experience indicates that this will lead to an even impossibly smaller pool of providers who are both capable of and willing to take on the combined work at
- the compensation rates both the HRUP and Bright Neighborhoods programs. It is our opinion that this will take considerably more incentive resources to motivate any approved vendors to take this on. This is discussed more in the following unsolicited additional
- feedback responses.
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48. Additional observations and feedback. The after action report seems heavily focused

49. on marketing and processing leads with very little attention on the Approved Vendor/Designee experience and burden. Since no installations were completed the report misses capturing the challenges of actually contracting, building, and implementing these

50. systems, leading to a potentially important gap in Program Administrator awareness which we attempt to address with the following points:

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- Feedback: Considerable mobilization effort went into Approved Vendor/Designee preparation
- for potential high volume processing of leads but that did not materialize; slow start to the Program Administrator's outreach resulted in considerable wasted effort for the AV/Designee for unrealized revenue.
- While we did not keep track of the hours spent organizing, preparing, and administering the program from our end, the labor cost easily exceeded \$1,000-\$2,000/referral received with no return
- for that investment.
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- Feedback: Nearly every referred site had electrical, roof, or shading issues requiring
- additional remedy resources homeowners nor installers typically did not possess. It was emotionally draining to repeatedly receive excited referrals who had just passed a potentially anxious income verification process only to arrive at the conclusion weeks
- or months later that they could not afford to repair their home or mitigate shade to be solar-ready.
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- Feedback: Small system sizes frankly make the financials for 3rd-party PPAs very challenging
- given current utility and interest rates, even with the current enhanced ILSFA SREC values. It is our estimate that between \$10k-\$20k of additional incentives

per home (in the form of higher SRECs) would be necessary to balance the risk level solar 3rd Party

- owners accept for residential ILSFA projects. This is in addition to any structural, electrical, or roof upgrades that may be needed to make the home truly solar-ready.
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- Bottom line: While we support the goals of the program and the communities it is designed
- to benefit, the practicalities and financials for a large majority of ILSFA-eligible homeowners would favor community solar enrollment as the most expeditious and concrete means to enjoy long-term the environmental and economic benefits of solar energy. For
- the small residential program to work, it will require an infusion of between \$10k and \$20k per home to make projects attractive to 3rd party PPA providers.
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V/r,

The UpSouth Energy/StraightUp Solar/Ailey Solar Team