

To: Elevate Energy, Program Administrator, Illinois Solar for All Program
From: MeLena Hessel, Environmental Law and Policy Center
& Participants in the Illinois Solar for All Working Group
Date: 01/09/2019
Re: Illinois Solar for All Working Group Comments on Approved Vendors for Illinois Solar for All Program

Dear Elevate Energy Administrative Team for the Illinois Solar for All Program:

The Illinois Solar for All Working Group is pleased to deliver the enclosed comments on the Approved Vendors for the Illinois Solar for All Program. 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. Over 75 participants include representatives from the following organizations and others:

BIG: Blacks in Green	Little Village Environmental Justice Organization
Carbon Solutions Group	ONE Northside
Central Road Energy LLC	Natural Resources Defense Council
Environmental Law & Policy Center	Sierra Club Illinois
Illinois People's Action	

Working Group Process

The Working Group began convening in January 2017, and has had monthly full-group meetings until the present time. In tandem, the Working Group operates with sub-teams that focus on specific areas relevant to the policies at hand and future work on the program. These sub-teams include: Program Administration & Evaluation, Consumer Protection & Financing, Education & Engagement, Job Training, and Project Workshop. Each sub-team was facilitated by leads and co-leads and meets between monthly full-group meetings with frequency depending on the time of year.

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 submitted comments on Community Solar Consumer Protection & Marketing Guidelines Draft Documents and Illinois Adjustable Block Program Draft Guidebook to InClimate on December 10, 2018.

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* 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 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

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

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 pay-as-you-save, on-bill financing, PACE or community-led group buy programs. Jobs training program 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. 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.

The Illinois Solar for All Working Group appreciates this opportunity to provide comments on the Approved Vendor Registration Process and Selection Criteria. It is clear that the program administration team has put significant thought into the role of Approved Vendors in the Illinois Solar for All Program and what elements are important for the Approved Vendor approval process. In particular, the Working Group applauds the emphasis put on key Illinois Solar for All Program requirements and goals, including but not limited to community engagement, job training, and project siting in Environmental Justice communities. These requirements and goals are critical elements to the success of the Illinois Solar for All Program (ILSFA).

The Working Group has reviewed the draft materials around Approved Vendor registration for the Illinois Solar for All Program put forward by Elevate Energy in its capacity as Program Administrator and has identified two areas of feedback concerning the overall Approved Vendor Registration process: (1) the division of responsibilities for ILSFA Approved Vendors and (2) the application of the selection criteria during the Approved Vendor approval process. We will offer also some specific feedback on the content of the rubric and individual selection criteria.

Division of Responsibilities for ILSFA Approved Vendors

The set-up of Approved Vendors in the Illinois Solar for All Program must better account for the role aggregators have traditionally played in the Illinois distributed generation market in order to maximize installer and community organization participation in the program and, ultimately, low-income solar deployment and related training/job opportunities. The Adjustable Block Program Approved Vendor will not be the appropriate party to answer many of questions proposed for the ILSFA Approved Vendor registration process.

Historically in Illinois, aggregators have played an important intermediary role for Renewable Energy Credit (REC) transactions from distributed solar projects, particularly for smaller projects and smaller solar installers. Smaller companies do not always have the capacity or expertise to deal with the initial and ongoing requirements surrounding REC contracts and it has been more efficient for the Illinois Power Agency and the utilities that are counterparties to REC contracts to work with one larger aggregator than many small companies. This aggregator role was explicitly accounted for in the creation of the Adjustable Block Program (ABP), where aggregators can work as Approved Vendors to handle ABP REC contract requirements for a number of different small installers, working on the ground in communities across Illinois to install solar.

The Working Group expects that aggregators likely will play an important role in the Illinois Solar for All Program, enabling small developers and installers to more easily participate in the

program. This role is particularly relevant when considering ambitions for the program to encourage solar business creation within the communities it serves.

However, a number of the questions proposed for the ILSFA Approved Vendor registration process are not really questions for aggregators/other intermediaries, but rather questions and requirements for the installers and community organizations that are working on the ground and in communities to install solar. If the expectation is that installers and community organizations must serve as the ILSFA Approved Vendor, this could serve as a significant barrier to program success as those organizations do not always have the expertise or resources to handle being the counterparty for the REC contract. If the expectation is that aggregators pass on these questions and requirements to installers and community organizations, the Working Group is concerned that may not work for a number of reasons:

- For the registration process to be a meaningful exercise, it is important to have the groups that will actually be doing the work answering questions about that work, not an intermediary.
- It is not clear how this would work if aggregators work with multiple installers and community organizations both in and out of the ILSFA program.
- The Working Group does not believe aggregators generally have the knowledge or depth of experience with some of the more subjective ILSFA Program requirements to guide and enforce these requirements for the installers and community organizations they work with.

Therefore the Working Group urges the Illinois Power Agency (IPA) and Elevate Energy in its role as Program Administrator to ensure that the Approved Vendor registration process accounts for the differing roles aggregators, installers, and community organizations will play in the low-income solar market. There are a number of ways this could work including allowing aggregators and community organizations/installers to partner for this registration process or set up individual installers or community organizations designees as was done with the disclosure forms, to allow those entities to be responsible for responding to certain questions.

Applying Selection Criteria During Approved Vendor Registration

The Working Group applauds Elevate and the IPA for making the importance of meeting ILSFA goals and requirements clear from the start of the ILSFA program, by including them at Approved Vendor registration. That being said, **the Approved Vendor registration phase should not be the only time when these goals or requirements are evaluated. In fact, the Working Group believes it is even more important to consider these criteria as individual programs – when it comes to behind the meter solar – and projects – when it comes to**

community solar – are being evaluated. This is important: just because one community solar project or company/community organization working on behind the meter solar in an ILSFA Approved Vendor’s portfolio meets the goals and requirements of the program will not mean that every project or every organization will[1]. Furthermore, the Working Group would want to see even more detail and careful thought around scoring in the program and project evaluation stage of the program than there is in whatever the final Approved Vendor registration process looks like. Ultimately, Elevate and the IPA must ensure that program goals and requirements are included in the ultimate proposals submitted as well as the programs and projects that are awarded funding. In other words, adherence to the program goals and requirements during the registration process for an Approved Vendor should be just the beginning of a continuum in regard to addressing and meeting the stated goals and objectives.

Furthermore, the Working Group notes that better communication is likely needed about the intent of applying the selection criteria at the Approved Vendor registration phase. It should be clear that including the criteria up front is not only about ensuring program participants’ understanding of required programmatic goals and objectives but to also emphasize that there will be further evaluation and scoring of actual programs and projects. Clarity is also needed around how the scores from the Approved Vendor registration process will be incorporated into the project/program evaluation phase in order to make the registration process be more meaningful in regard to meeting goals and objectives. The Working Group suggests that these scores be included in some way.

Feedback to Specific Questions and on Specific Rubric Elements

Overall Rubric Feedback

1) There is little or no description of what “community” means to help vendors plan and implement. Our concern is that vendors will act out of their own experience (meaning the racial and /economic class they are members of: eg: white, educated, urban).

Solution: Identify what kind of specific “community” is important for targeting. We propose “community” be defined as simply as possible with understandable language that specifically includes “low/moderate income neighborhoods/communities,” “rural and small urban communities”, and specific inclusion of “downstate communities” to intentionally target non-Chicago communities as well. It is also important to include low-income residents of both single- and multi-family housing.

The intention behind including more specificity on what is community means to prospective vendors is to provide clarity but also to guard against larger non-profits, community action

agencies and educational institutions that have an existing advantage over smaller organizations in regard to dedicated grant writing staff and other administrative capacities but have little or no actual relationship with low income families or communities.

2) There is a description of “EJ” targeted communities, but are vendors expected to hunt for constituencies?

Solution: Vendor education cannot be expected to create organizations where they do not exist. A more effective approach would be to intentionally target neighborhood organizations, grassroots community organizations, nonprofit housing developers and congregations. Congregations could be particularly important as they are typically one of the few institutions in EJ communities/neighborhoods that have identifiable members, self-interest in renewable energy and relational networks of leaders/followers.

3) Broadly speaking, the proposed rubric approach is detailed enough and allows for evaluation of vendor proposals in a reasonable and thorough way. However, assuming the ABP Approved Vendor remains the responsible party for answering all of the rubric questions, care must be taken to ensure that the rubric also encompasses and scores level of engagement and involvement by community based organizations in the vendor’s proposal. Including this as a scored element would strengthen the rubric and overall evaluation process.

4) Regarding category weighting, the Working Group wants to stress the importance of community engagement, particularly when it comes to community solar projects. It is our recommendation that the quality and degree of community engagement account for at least a third of the total score. The presentation of the score in the powerpoint is somewhat confusing, but the Working Group believes this is the case: for community solar projects 47 (25+22) out of 100 points or 47% relate to community engagement. For non-community solar, 25 out of 78 points or 32% of the score relates to community engagement.

Community Planning

The Working Group believes it is realistic that Approved Vendors have a sense of the communities they propose to work within and partner with at the point of registration. On the other hand, we believe that Approved Vendors that do not have this information should not be barred from the registration process. However, by the time they reach the program/project evaluation phase it is absolutely critical that Approved Vendors can demonstrate a thorough understanding of the community they are working in. The whole point of ILSFA is that it creates projects that are rooted in and focused on the needs of communities who have been left out of the

green economy. Requiring Approved Vendors to know which communities they intend to target and build projects with will be critical.

The Working Group strongly supports a scoring system that awards higher point values to those Approved Vendors who have plans to site projects in environmental justice communities.

Community Engagement

Is it appropriate to weigh future engagement plans higher than past experience?

While it's likely that many vendors will not have the kind of experience with community engagement ILSFA is requiring—and should not be unduly disadvantaged in scoring—it's also true that we want groups that will succeed in building deep, collaborative and equitable relationships with community groups and members. Experience with community engagement, especially where vendors can attest to having done that effectively in the past, or at the very least begun initial work on engaging community members/groups, should be given significant weight in evaluating the likelihood of engagement plans to succeed.

Is probability of meeting requirements an appropriate measurement for the required responses?

The Working Group feels strongly that the answer depends on the specific criteria being used to determine probability. Criteria to determine a vendor's ability to build substantive partnerships with community based organizations is critical. Specially, can the vendor build community partnerships that are democratically governed by and responsive to community members, especially in low-income communities where people may be socially and/or economically disenfranchised? An established track record should be a primary (if not *the* primary) criteria used to assess the probability of doing this effectively, especially for 7 d) - the methods of outreach and engagement used to reach participants. The Working Group wants to emphasize the importance of community engagement occurring through on-the-ground organizations, including grassroots and membership-based organizations.

Community Engagement for Community Solar

Generally speaking, the Working Group agrees with the approach to the Community Engagement for Community Solar section. While some considerations (specific ratio of low-income subscribers to general market, specific role of community organizations) are difficult to predict so far in advance, articulating a general sense / plan can go a long way in ensuring that would-be vendors are on the right track to meeting ILSFA requirements and should thus be eligible for Approved Vendor status. If Approved Vendors fail to follow through on plans, however, individual projects should be rejected later in the process.

With what degree of accuracy can vendors project the ratio of low-income subscribers for community solar projects at registration?

It is unlikely that approved vendors can project a specific ratio of low-income subscribers to general market subscribers at registration. That ratio will depend on the effectiveness of marketing, outreach and community engagement. With that said, approved vendors may have a sense of the outreach strategies they will employ to reach potential customers. Low-income participation in ILSFA will likely only result from deliberate, targeted outreach to low-income customers. Thus, this element of an Approved Vendor's application may reflect the customers that approved vendors target for outreach and marketing rather than the customers that actually end up enrolling at this early stage. Applicants should not be unduly penalized for having only general outreach plans rather than more concrete methodologies and projected results.

It is also worth noting that additional incentives are available for projects that are 100% low-income subscriber owned. It is possible that Approved Vendors interested in reaching the 100% threshold will have that target in mind at registration.

Are the intended anchor types likely to be known at registration?

Because outreach to non-profit/public sector anchors likely requires fundamentally different strategies than outreach to residential customers, it is reasonable to expect that Approved Vendors might have a sense of whether they will target anchor subscribers at registration.

Planning for Job Training and Installation

If the purpose of the rubric is to make sure that Approved Vendors have understanding of the Solar for All Requirements (and a plan to meet those requirements), than the way these particular questions are ordered and worded could be tweaked in order to better convey the job trainee hiring requirements.

For example, we recommend that Question 16 (currently the second question in this category) should be listed first as it more clearly lays out the trainee hiring requirements. We also recommend that there should be greater emphasis on the fact that it is the company's obligation to ensure these requirements are met, regardless of whether the company provides installation services directly or will be subcontracting out the installation.

We recommend that Question 15 be the second question in this category since it is a question that is geared to those companies that provide installation services directly.

Is a three year plan for meeting job training requirements realistic at registration?

The Long Term Renewable Resources Procurement Plan sets out that each Solar for All Approved Vendor (AV) will have to demonstrate that for their first year of participation, 10% of the hours worked on projects across their project portfolio will be by job trainees, and that amount would increase to 20% in their second year of participation, and 33% in the third year. Accordingly, it seems appropriate that the Approved Vendor rubric emphasize these job trainee hiring requirements that must be met over the Approved Vendor's first three years of participation so that the AV fully understands their obligations and therefore can develop a plan to meet them. However, flexibility should be given at the AV qualification/registration phase regarding how AVs intend to meet these obligations. It is more important to robustly evaluate a company's three year plan for meeting and exceeding these requirements at the project or program application and evaluation phase.

Is it more appropriate to ensure plans are detailed or realistic?

At the AV qualification/registration phase, it is more appropriate to ensure that the AV is at least aware of these obligations and commits to meeting these requirements over the first three years of their participation. However, at the project application and evaluation phase, more detailed plans should be required.

Consumer Protections

The Working Group generally supports the approach laid out for this section of the rubric, but offers the following suggestions:

Question 19 – “What is the anticipated level of participant savings for each solar offer?”. We recommend further clarification:

- It is unclear whether the question is referring to what the beneficiaries will receive or to what the project is committed to providing. For example, a community solar project may include an anchor tenant who will subscribe to 50% of the project but the remaining portion of the project would be allocated to subscribers at no charge. The participants in this case are receiving “100% savings” but the project is only providing 50% of its capacity to the beneficiaries.
- For DG, an aggregator may have agreements with many different installers, each with their own business plan and anticipated level of participant savings. Could the rubric score a range? For example, an Approved Vendor applicant could respond with “50%-100% depending on the project.”
- Along the same vein, if an applicant has no particular project in mind and there is no ability to enforce against a response that later proves inaccurate, what would prevent an applicant from choosing “greater than 75%”?

The Working Group agrees that questions 18 and 21 should not be scored at this stage, but notes with regard to question 21 that a well thought out business plan should include this type of information even if it cannot be construed as a commitment at this stage of the REC contracting process.

What is the right level of detail for submitting proposed business models, including savings, no upfront costs and financing terms?

The Working Group suggests that the applicant be required to prepare and submit a Consumer Protection Plan that addresses the relevant questions. After review of that plan, a score can be determined based on the plan's response to the questions posed below. We feel a written plan will demonstrate knowledge of, and familiarity with, the ILSfA program.

Attestations are required for minimum site suitability and for sharing resources with participants. Is this understood and appropriate?

We support the use of attestations. They serve to lay out the minimum requirements for the ILSfA program and provide a means to revoke an Approved Vendor's status if they are violating program requirements

[1] This relates to the role aggregators play in the market as well, per the above comments. The Working Group could see scenarios where, for behind-the-meter solar, some of the program evaluation happened through vendor registration, but not with the current proposed set-up where installers/organizations will not be directly evaluated if they are not the ABP Approved Vendor.