

**From:** Bernstein, Kristin <kbernstein@ameresco.com>  
**Sent:** Monday, April 15, 2019 12:05 PM  
**To:** Illinois Solar Comments <comments@illinoisfa.com>  
**Subject:** Project Selection Protocol.

I apologize for the delay. Here are comments on the Project Selection Protocol.

- There is a prioritization for MWBE firms. Can some prioritization be given for firms that intend to have a percentage of the work performed/supplied by MWBE firms?
- The prioritization tables seem to imply that projects do not have to be located in low-income communities or environmental justice communities. Is this true that location does not matter for eligibility? If so, what is the requirement? Do projects only have to serve low income or environmental justice communities?
- Why do remaining funds expire at the end of the program year? Can they be rolled into the next program year instead?

Regards,  
Kristin Bernstein



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## WRITTEN COMMENTS

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<b>Date:</b>	April 11, 2019
<b>To:</b>	ILSFA Program Administrator <a href="mailto:comments@illinoissfa.com">comments@illinoissfa.com</a>
<b>From:</b>	Ken Anno   CIC Energy Consulting LLC
<b>Re:</b>	<b>ILSFA Draft Project Selection Protocol Guidance Document Written Comments – M/WBE</b>

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Thank you for the opportunity to submit the following written comments to the *ILSFA Draft Project Selection Protocol Guidance Document* (“Draft Protocol”). The M/WBE definition currently reflected in the Draft Protocol appears to limit acceptable W/MBE certification(s) to those issued by state, county, and local governments as reflected in Exhibit A.

CIC ENERGY CONSULTING respectfully urges ILSFA to adopt a definition that eliminates ambiguity and better aligns with the W/MBE definition(s) already being utilized by ComEd and Ameren Illinois as part of their annual supplier diversity reporting to the Illinois Commerce Commission per Illinois Public Utilities Act, Section 5-117<sup>1</sup>. More specifically, we believe that the existing definition should be broadened and clarified to include both public and non-public third-party certifying bodies approved by ComEd and Ameren Illinois, including but not limited to, the *National Minority Supplier Development Council (NMSDC)* and its regional affiliates<sup>2</sup>, and the *Women’s Business Enterprise National Council (WBENC)* and its regional affiliates.

A full list of W/MBE certifying agencies recognized by ComEd and Ameren Illinois can be found in Appendix A of *Workforce/Supplier Diversity Best Practices: An Illinois Review and Recommendation by the Illinois Energy Efficiency Stakeholder Advisory Group*<sup>3</sup> which is attached as Exhibit B.

Thank you for your time and consideration.

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<sup>1</sup> (220 ILCS 5/5-117) Public Utilities Act.

<sup>2</sup> Affiliates include Chicago Minority Supplier Development Council.

<sup>3</sup> [https://iqadvisorycommittee.com/wp-content/uploads/2018/10/DCEO\\_Report\\_Workforce\\_Supplier\\_Diversity\\_Final\\_5-31-17.pdf](https://iqadvisorycommittee.com/wp-content/uploads/2018/10/DCEO_Report_Workforce_Supplier_Diversity_Final_5-31-17.pdf)



## WRITTEN COMMENTS

### EXHIBIT A

Table 6. Scoring Rubric for Low-income Communities Selection: Non-Profit/Public Facilities Projects

Prioritization 2: Low-income Communities (assessing total incentive value of projects in qualified Low-income Communities)		
Attribute:	Definition:	Score:
EJ Community	Located within a qualifying ILSFA EJ community	1
MWBE	Approved Vendor or Seller registered with state, county or local government as MWBE	1
Group A	Ameren Illinois, MidAmerican, Mt. Carmel, Rural Electric Cooperatives and Municipal Utilities located in MISO	If total incentive value of projects for this attribute is: 0-25%=2, 26-50%=1, 51-75%=0.5, >75%=0
Group B	ComEd, and Rural Electric Cooperatives and Municipal Utilities located in PJM	If total incentive value of projects for this attribute is: 0-25%=2, 26-50%=1, 51-75%=0.5, >75%=0
System size </= 100kW	Qualifying community solar property is less than or equal to 250kW	If total incentive value of projects for this attribute is: 0-25%=2, 26-50%=1, 51-75%=0.5, >75%=0
System size > 100kW	Qualifying community solar property is greater than 250kW	If total incentive value of projects for this attribute is: 0-25%=2, 26-50%=1, 51-75%=0.5, >75%=0
Entity Type: Non-profit	Qualifying project is on a non-profit	If total incentive value of projects for this attribute is: 0-25%=2, 26-50%=1, 51-75%=0.5, >75%=0
Entity Type: Public facility	Qualifying project is on a public facility	If total incentive value of projects for this attribute is: 0-25%=2, 26-50%=1, 51-75%=0.5, >75%=0
<b>Total possible score:</b>		<b>8</b>

General Selection (Prioritization 3)

If the value of remaining unselected (and otherwise qualified) projects does not exceed the remaining

## WRITTEN COMMENTS

### EXHIBIT B

[https://iqadvisorycommittee.com/wp-content/uploads/2018/10/DCEO\\_Report\\_Workforce\\_Supplier\\_Diversity\\_Final\\_5-31-17.pdf](https://iqadvisorycommittee.com/wp-content/uploads/2018/10/DCEO_Report_Workforce_Supplier_Diversity_Final_5-31-17.pdf)

#### **Appendix A: Certifying Agencies and Organizations**

Ameren Illinois recognizes the following certifying agencies:

- National Minority Supplier Development Council and its regional affiliates
- Women's Business Enterprise National Council and its regional affiliates
- Federal Government Certifying Agencies
- State Government Certifying Agencies
- Local Government Certifying Agencies

ComEd recognizes the following certifying agencies:

- National Minority Supplier Development Council and its regional affiliates
- Women's Business Enterprise National Council and its regional affiliates
- Associations for service veterans
- Federal Government Offices
- State Government Offices
- Local Government Offices
- Public Utility Commissions

Nicor Gas recognizes the following certifying agencies:

- National Minority Supplier Development Council and its regional affiliates
- Women's Business Enterprise National Council and its regional affiliates
- National Women Business Owners Corporation (NWBOC)
- U.S. Department of Veterans Affairs
- U.S. Small Business Administration's 8(a) Program
- U.S. Pan Asian-American Chamber of Commerce
- State and County Department of Transportation
- City certifications
- County certifications
- State certifications

Peoples Gas recognizes the following certifying agencies:

- National Minority Supplier Development Council and its regional affiliates
- Women's Business Enterprise National Council and its regional affiliates
- City of Chicago Certification and Compliance
- Cook County Illinois Office of Compliance Supplier Diversity Program
- State of Illinois Central Management Services Business Enterprise Program
- State of Illinois Department of Transportation Diversity Business Enterprise Program
- U.S. Department of Veteran Affairs VetBiz Program

**To:** Illinois Power Agency  
**From:** MeLena Hessel  
& Participants in the Illinois Solar for All Working Group  
**Date:** 04/15/2019  
**Re:** Illinois Solar for All Working Group Comments on Project Selection for IL Solar for All

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Dear Illinois Power Agency & Program Administration Team:

The Illinois Solar for All Working Group is pleased to deliver the enclosed comments on the Project Selection 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:

Blacks in Green	New Life Ministries of Danville
Central Road Energy LLC	ONE Northside
Environmental Law and Policy Center	People for Community Recovery
Illinois People's Action	Seven Generations Ahead
Little Village Environmental Justice Organization	Sierra Club Illinois
Metanoia Centers for Innovation	Trajectory Energy Partners
Natural Resources Defense Council	

## 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.<sup>1</sup> A final White Paper was published on July 11, 2017 on [lowincomesolar.org](http://lowincomesolar.org).<sup>2</sup> The Working Group also submitted a response to the Draft Long-Term Renewable Resources Procurement Plan on November 13, 2017.<sup>3</sup> 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; Grassroots Education and Approved Vendor components of IL Solar for All on January 9, 2019; Environmental Justice provisions of IL Solar for All on January 30, 2019; Job Training provisions and Third-Party Evaluation provisions of IL Solar for All on February 7, 2019; Project and Participant Eligibility and Verification Processes on March 13, 2019; and the Low-Income Community Solar REC contract on April 2, 2019.

## 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

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<sup>1</sup> <https://www.illinois.gov/sites/ipa/Documents/ILSfA-Working-Group-Response-RequestforComments.pdf>

<sup>2</sup>

[http://www.lowincomesolar.org/wp-content/uploads/2017/07/20170711-ILSfA-Working-Group-White-Paper\\_Final\\_wAppendices.pdf](http://www.lowincomesolar.org/wp-content/uploads/2017/07/20170711-ILSfA-Working-Group-White-Paper_Final_wAppendices.pdf)

<sup>3</sup>

<https://www2.illinois.gov/sites/ipa/Documents/2018ProcurementPlan/2018-LTRenewable-Illinois-Solar-for-All-Working-Group-Comments.pdf>

<sup>4</sup> [www.lowincomesolar.org](http://www.lowincomesolar.org)

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

## Solar for All Working Group Comments on Project Selection

Dear Administrative Team for the Illinois Solar for All Program (ILSFA):

The Illinois Solar for All Working Group appreciates this opportunity to provide comments on the Project Selection component of the Illinois Solar for All program. The Working Group is certain that the program administration team has put much thought into its proposed selection criteria and appreciate the effort made to insert program goals including the goal of project diversity into the selection process. The Working Group strongly encourages the program administration team to go further to align the project selection process with Solar for All program requirements and goals aimed at ensuring high quality projects that are well-integrated with workforce development efforts.

### **Comments/Questions on the Overall Approach Proposed**

#### **Support Elevate and IPA's Approach to Project Selection Using a Scoring System**

The Working Group applauds the decision to use a scoring system rather than a lottery or other approach for project selection. Would-be program participants currently expect that both the community solar and the non-profit and public facility subprograms will be oversubscribed, so the project selection process will be *the* vehicle for deciding which projects move forward in Illinois to deliver on the important community benefits that the legislature approved with the creation of the Illinois Solar for All Program. A scoring system allows the program administration team to evaluate how well individual projects will meet the goals and requirements of the Illinois Solar for All Program and, ultimately, to select those projects that will drive the most community benefit. However, we urge that all projects be selected by the weighted scoring system and that random selection should be wholly eliminated.

#### **Scoring System Should Go Further to More Fully Quantify Whether Projects are Achieving Solar for All Program Goals**

The Working Group does not believe the current-proposed scoring system recognizes the full range of goals and requirements recognized under law. Without recognizing *all* the contributors to the community benefits aimed for in the creation of the Illinois Solar for All Program, the project selection process will fail to meet the goals of the program. Furthermore, it will do so in a systematic way - consistently failing to deliver on the specific goals that were left out of the scoring criteria (such as integration with workforce development programs). Moreover, a more comprehensive scoring system will likely prevent tiebreaking scenarios, thus eliminating the need for random project selection.

#### **Elevate and IPA Must Carefully Balance Scores for Individual Elements Against One Another - A Higher Total Possible Score May Help**

The Working Group believes that limiting the potential score to a total of 8 will be unlikely to allow the level of detail needed to drive accurate scoring or effectively calibrate different scoring

elements relative to one another. The Working Group feels that the current range of 1 to 8 needs to be broadened to enable assessment of more details which will more accurately determine the relative value of one project versus another. We also feel that the narrow range will increase the likelihood of more ties in scoring which might not equate to equal levels of quality. We applaud the choice to not have a totally binary score, but we recommend that the total possible score should be bigger in order to reflect more extensive information and at the same time, have a quantifiable rationale for contract award.

### **Monitor Low Income Distributed Generation Incentive to Ensure Batching Does Not Become a Barrier to Entry**

Project batching was approved for the Adjustable Block and Illinois Solar for All Programs to simplify both contract compliance and contracting, which dramatically reduces administrative efforts since the administrative work of 5 projects often is the same as that of 50 projects. Also batching projects and signing a single contract for those projects, if one rooftop underperforms in REC generation, the REC generation of the other projects in the batch can offset that underperformance. Furthermore the current batching proposal for Solar for All is already pretty lenient: in the extreme case where 25% of the batch failed, a developer could theoretically get a contract for a batch greater than 37.5 kW. That is the equivalent of somewhere between three and seven residential solar systems. If batches get any smaller, the program may start to lose the contract compliance advantage of batching.

Nonetheless, the batching requirement opens the door to some confusion and risks. Some in the Working Group were confused how the batching overlaid with the scoring buckets, so we recommend that final program documentation clarify that projects within a single batch can fall across all three scoring buckets (environmental justice, low-income, and general).

Additionally the Working Group is concerned that the batching requirement could become a barrier to entry to smaller projects and smaller developers, particularly in the Low-Income Distributed Generation sub-program. To be clear, the Group does not *expect* that to happen, but rather is concerned that *it could*. Therefore we urge the program administration and/or evaluation teams to monitor this sub-program to ascertain whether the batching requirement is a barrier to entry and, if it is, for the Illinois Power Agency to propose changes to this requirement in future Plan updates. For instance, if batching does prove to be a barrier for a specific sub-program, perhaps the Program Administrator could take over the batching function for that sub-program.

### **How should a waiting list work?**

The Working Group strongly believes that the Illinois Solar for All Program should be expanded so that all projects that meet appropriate eligibility criteria can move forward. However, as long as the program is oversubscribed, the project selection process should function to advance those projects which drive the most community benefits and best align with the goals and requirements of the Illinois Solar for All program. Given this, the Working Group strongly believes a waiting list should *only* be utilized to allocate REC contracts that were being reserved

for projects in environmental justice communities (in line with the 25% statutory goal), in the event no such projects have come forward by the end of a delivery year, and to replace any projects that “fall out” of the program during that delivery year. The Working Group urges the Administrator to allocate new funds at the start of a new delivery year to the highest scoring projects among all the projects that have applied at the start of that delivery year. Projects that did not advance in the previous delivery year should not be required to re-apply, but they should not be advantaged over newer projects that better meet program goals.

**How should a project in an EJ community that scores the highest number of points, but which would use more than 25% of incentive money be treated?**

While the program should ideally distribute resources throughout the state such that multiple projects can advance in EJ communities each year, if a project in an EJ community scoring the highest number of points would exceed over 25% of the incentive money, it should move forward in certain situations. For the community solar sub-program, it should only move forward if residential subscribers will be located in the EJ community (see our suggestion for this scoring criteria). For all sub-programs the project should only advance if it is located in an area that is otherwise not served by the applicant pool.

**Comments on Scoring Criteria Proposed by Elevate/IPA**

**Location in Environmental Justice (EJ) Community** - The Working Group endorses the use of location in an EJ community as a scoring criteria, but strongly believes this criteria, alone, does not go far enough in the case of the community solar sub-program. For these projects, it is also important that there is an intent to serve EJ community members. See our proposal of the addition of scoring criteria around targeting EJ subscribers, below.

Additionally the Working Group recommends projects score higher under this criteria if they have a higher EJ score. Among other things, this would serve to prioritize project in areas that show higher levels of concentration of pollutants. The scoring of this criteria should be set so that *any* project in an EJ community should still receive valuable points for being so located. The differentiation should help to make a difference on the margin, e.g. so that if two projects in EJ communities otherwise tied in scores, the project with the higher EJ score moves forward.

**Location in Low-Income (LI) Community** - Likewise, while the Working Group endorses the use of location in an LI community as a scoring criteria, we also believe this criteria, alone, does not go far enough. For projects serving low-income communities, it is also important they serve the very poor and not just “cream” the highest-income, low-income households at the top. See our proposal of the addition of scoring criteria around avoiding creaming, below.

**Minority/Women-Owned Business Enterprise**

Scoring should reflect the percentage of the REC contract project construction that is being served by M/WBEs rather than just the status of the approved vendor. Documentation of M/WBE status should be quantified based on contract documentation and/or verified by written

agreement from certified M/WBE companies including the percentage of the work in the REC contract that they will perform. If a business is unable to show a contract/affidavit, it should not be counted towards M/WBE goal. If a M/WBE subcontracts to a non-M/WBE, the subcontracted portion of the contract should not count toward the score. We recommend use of the portion of the REC contract for the construction of the project as on-going O&M is relatively trivial.

Example:

REC contract: \$1,000,000

M/WBE Approved Vendor: Documentation: Contract with developer for lump sum of \$50,000.

**5% of total**

Developer: 20%

Developer: 15% of total

M/WBE Subcontractor (e.g., legal): Documentation: Letter from M/WBE stating that they have commitment to receive at least \$50,000 of work from the project. **5% of total**

Installer: 75%

M/WBE Installer: Documentation: Letter from M/WBE stating that they have contracted to receive at least \$600,000 of work from the project. **60% of total**

Subcontractor 1 to M/WBE installer (e.g., clearing and grading): 5% of total REC

Contract

Subcontractor 2 to M/WBE installer (e.g., engineering): 10% of total REC contract

This project could claim 70% M/WBE and would receive 70% of the points eligible under this criteria.

As part of this approach, the Working Group suggests that projects verify that M/WBE commitments were achieved or exceeded with signed affidavits from W/MBE contracts for dollars received (equivalent to a lien waiver) as part of the Schedule B request. Furthermore we recommend that projects allow the audit of contractors if requested by program administration.

**100% Subscriber Owned (CS-Only)** - The Working Group recommends that projects that are 100% subscriber owned at energization get higher scores than projects with a clear strategy and contractual commitments to get to 100% ownership over time. In this later group, we recommend that projects with partial commitments to be subscriber owned should have a score that reflects these efforts. Audits may be needed to determine whether outcomes are reached and support the continued application of this scoring criteria to projects where ownership interest vests over time.

**Non-Profit/Public Facility Anchor (CS-Only)** - To avoid an outcome where anchor tenants are disproportionately from communities not targeted by the ILSFA program, scoring of anchor tenant(s) should be higher for anchor tenants located in LI and EJ communities. Additionally scores should be higher for non-profit and public facility anchors that would otherwise be eligible for the non-profit and public facility sub-program of ILSFA.

**Diversity: Geographic Location** - The Working Group did not reach a consensus regarding the proposed scoring for geographic diversity. The weights used implicitly suggest that a priority on a 50/50 split between MISO and PJM territories. Of course, given the closer to 30/70 MISO/PJM load split, it is likely that project applications will favor northern Illinois and the program may end up with something between a 50/50 and 30/70 split. Working Group members had strongly held, mixed feelings about this. On one hand, central and southern Illinois have been drastically underserved, historically, and are often overlooked in the distribution and design of state programs and benefits. On the other hand, northern Illinois, including Chicago, contains approximately 70% of the state's low-income households served by the major utilities, and recent general market community solar blocks have produced zero projects in the city of Chicago, Cook County, or nearby inner ring suburbs, while rural areas and municipalities throughout the state won incentives. In general, the Working Group points to the statewide statutory intent of the program in utilizing this criteria to maintain even geographic distribution of chosen projects and recommends that the Administrator be deliberate in selection of projects such that thorough geographic diversity is achieved.

We are attaching an addendum advocating in support of the proposed weighting with the implicit 50/50 split priority, authored by one of the members of the Working Group whose geographic base is in downstate Illinois. Please note that the lack of a counter addendum with counter arguments advocating for a prioritization of the incentive breakdown *in line with* the load breakdown does not indicate that some Working Group members do not strongly favor or have clear arguments for such a weighting.

**Diversity: Project Size** - The Working Group agrees with the administration team that project size diversity should be prioritized.

### **Additional Scoring Criteria Proposed by Working Group**

**Targeting EJ Community Subscribers (CS-Only)** - A clear statutory goal of the Illinois Solar for All Program is to bring the benefits of solar to low-income and environmental justice communities. Language indicating this goal abounds, including but not limited to the objective of the program to “bring photovoltaics to low-income communities in this state,” and the repeated requirement that 25% of various sub-programs be reserved for projects in environmental justice (EJ) communities<sup>1</sup>. When it comes to the community solar program, the Working Group strongly believes that projects that are located in EJ communities but do not actually serve any EJ subscribers, at best, go halfway toward meeting this goal.

Therefore it is critical that a criteria be added for community solar projects that plan to target EJ community subscribers. The Working Group recognizes the difficulty involved in having to

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<sup>1</sup> 20 ILCS 3855/1-56(b)(2) and 20 ILCS 3855/1-56(b)(2)(A), (B), and (C).

assess intent rather than outcomes - such an approach is obviously less than ideal. However not even attempting to assess whether a project will serve EJ community members is a worse choice - that just means such projects will not get prioritized, despite their ability to better meet statutory goals. Furthermore, the Working Group believes the process for approving vendors may already lay groundwork for the assessment of intent.

**Avoiding Creaming** - As discussed above, the Working Group believes it is also important that the ILSFA Program serve the very poor and not just “cream” the highest-income, low and moderate-income households and neighborhoods “off the top” when it comes to any of the sub-programs. Creaming is a common challenge in programs targeting low-income populations and would frustrate the clearly stated legislative intent that the ILSFA program “bring photovoltaics to low-income communities in this state,” by only bringing solar photovoltaics to a sub-portion of low-income communities in the state<sup>2</sup>. Therefore, we recommend a criteria be added to enable the project selection process to directly address creaming.

On a practical level, this criteria may need to be scored slightly differently for the different sub-programs. For the low-income distributed generation program, this criteria could be scored similarly to other diversity criteria, classing household income levels into several different categories and awarding more points if there are fewer applications from a given category. The non-profit and public facility sub-program could also be set up a a diversity score, but likely one looking at median income for the surrounding area rather than actual household income. An alternate but equally acceptable approach would be to directly incent serving the lowest of low-income households by giving a higher score to projects directly serving the lowest of low-income households and neighborhoods.

For the low-income community solar sub-program, intent and planning would again have to be scored on a project-specific level. Again the Working Group suggests that the Approved Vendor application process may be a good starting point from which to approach the scoring of planning and intent.

**Community Outreach** - Research shows that to reach low income people and/or residents of EJ communities, it is critical to not solely rely on general marketing. Due to many factors, research also shows that the most effective way of getting people engaged, whether that be buying subscriptions to CS, requesting rooftop solar for their homes; getting their public housing authority to take advantage of targeted funding, is via effective outreach. Research also shows that the most effective outreach is done by people from the targeted communities with culturally sensitive literature, advertising, presentations etc. Thus we recommend that Community Outreach be included as a variable to be scored - again pointing to the Approved Vendor application process as a potential model.

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<sup>2</sup> 20 ILCS 3855/1-56(b)(2).

**Level of Participant Savings/Financial Benefits to Low-Income Customers** - While the requirement for Illinois Solar for All is that participants receive a minimum of 50% of PV system generated value passed on to qualifying participants, maximizing benefits to participants is a goal of the program. Projects that offer a greater level of savings/financial benefit should receive higher points.

**Job Training Opportunities** - Illinois Solar for All approved vendors must demonstrate that they are meeting the program's job trainee hiring requirements by demonstrating that a certain portion (10% in first year of participation, 20% in second year, and 33% in third year) of the installation hours worked on projects across the vendor's entire project portfolio will be by job trainees from the solar training pipeline program, the craft apprenticeship program, or the multi-cultural jobs program. In addition, approved vendors must demonstrate that at least 1 job trainee will work on 33% of projects for Distributed Generation in the first year. Projects that exceed requirements should receive higher points.

### **Recommendations on Criteria Weighting**

Below are rough recommendations for the portion of overall score that each criterion should account for across all sub-programs. Because the Working Group recommends that the maximum potential score be increased above 8, it may be more useful to recommend percentages rather than specific scores. A few additional comments:

- **Importance of coordination with job training programs** - For both DG and community solar sub-programs, the Working Group recommends that coordination with job training programs be the highest scoring criteria. Time and again we have heard that this is the single most important element of the program for EJ community members and leaders. It should be treated as such in the scoring process.
- **Treatment of criteria scoring intent** - We recommend that the three community solar-related criteria that score intent rather than outcome have the lowest weighting in the overall score due to inherent uncertainty around scoring intent/preparedness. As a reminder, the Working Group recommends the inclusion of these criteria, despite the reliance on intent/preparedness, due to the importance of each to legislatively mandated program goals.
- **Treatment of location elements** - The Working Group recommends that the two location criteria (location in EJ or LI community) take up 15% of the total score. In the rounds where one of those two criteria is not scored, we recommend that the weight of the remaining factor be adjusted to 15%.
- **M/WBE scoring element** - The recommended emphasis on this criteria is predicated on the assumption that other Working Group recommendations regarding the criteria are accepted. If not, we would recommend a lower emphasis on this element.

*[Intentional Page Break]*

<b>DG and Non-Profits/Public Facilities</b>	
<b>Criteria</b>	<b>%</b>
Location in Environmental Justice Community	10%
Location in Low-Income Community	5%
Minority/Women-Owned Business Enterprise	15%
Diversity: Geographic Location	7.5%
Diversity: Project Size	7.5%
Avoiding Creaming	10%
Community Outreach	5%
Financial Benefit to Low-Income Customers	15%
Job Training Opportunities	25%

<b>Community Solar</b>	
<b>Criteria</b>	<b>%</b>
Location in Environmental Justice Community	10%
Location in Low-Income Community	5%
Minority/Women-Owned Business Enterprise	14%
Diversity: Geographic Location	7.5%
Diversity: Project Size	7.5%
Avoiding Creaming	4%
Community Outreach	4%
Financial Benefit to Low-Income Customers	14%
Job Training Opportunities	20%
100% Subscriber Owned	5%
Non-Profit/Public Facility Anchor	5%
Targeting EJ Community Subscribers	4%

## **Addendum to the Illinois Solar for All Working Group Comments on Project Selection**

Thoughts concerning Illinois People's Action support of the 50/50 IL Solar For All concept.

We fully support the right for all residents, regardless where they live, to benefit from renewable energy and the need to meaningfully address environmental justice. Intentionally created distinctions between Chicago and downstate have too often been used against low-income, white working class and People of Color for decades to play us off each other, while big corporate and political interests reap the final rewards.

As we consider statewide allocation of limited resources it is important to lift up downstate geographies regarding our fair share in light of decades of disinvestment and relative political powerlessness. Highlighting the needs of downstate Illinois does not minimize the needs of Chicago – each geography has problems, but the problems are different.

1. Downstate small urban and rural communities face similar environmental justice issues, with often exacerbated impacts.

In many downstate and rural communities, the vast majority of residents are low and moderate income. Because of the lack of a diversified local economy, one bad apple can spoil the barrel. The polluting Edwards power plant in Peoria is an example, which is a factor in Peoria being identified as one of the worst cities for African Americans in the country. As the state geography with the majority of carbon extraction and electricity production, these communities have few other economic options to mitigate harm.

Renewable energy production should be considered as a factor in the future economic and social development of a community at risk. For example, in rural Illinois there is often a 45 minute drive to the hospital. High school graduates will leave the community because of lack of jobs, any jobs, for their future. When the Walmart closes the community loses its jobs, tax base and food source. Renewable energy is not a panacea to cure what ails downstate Illinois, but it can't be overlooked.

2. Downstate Illinois never recovered from the 2007 financial crash, and given the state of agriculture markets is facing another crisis.

Heartland Alliance recently published its "Illinois Poverty Report" which examined counties based on poverty, unemployment, teen births and high school graduation rates. 47 counties were listed on the "watch" list and another 6 as "warning". All these counties were downstate.

3. Meaningful financial solar incentives are critical in not only building the solar job sector downstate but also allowing consumers to benefit.

Rooftop solar is not unknown downstate, but anecdotally most people can name one or maybe two companies - if they can name any at all. While the same may be said in many Chicago neighborhoods, residents interested in solar probably have a much larger pool of companies to approach. At the same time as we do our community organizing it is rare to find a downstate

resident or church leader who doesn't like the idea of solar for all. Financial incentives create entrepreneurs that address unmet needs.

4. Significant renewable energy investment in downstate Illinois affirms the narrative of "solar for all".

There's an unfortunate perception that the clean energy revolution is the concern of affluent whites who are looking for additional electric car plug in stations for cross town driving. This is a paradox as downstate Illinois is home to massive wind farms, but which there is little or no impact on everyday people's lives. When people think someone else benefits, they have little interest in shaping policy even though it affects them.

These beliefs are reflected in political decision-making. Small town and county officials too often make their decisions on energy based on promised jobs of climate killing energy extraction (e.g. support for pipelines, fracking, coal). Downstate state legislators magnify these policies when considering state energy policies, making the political calculation that something is better than nothing.

The way to create a new energy narrative is to affirm, incentivize and create renewable energy projects in geographies often left behind.

April 15, 2019

Trajectory Energy Partners, LLC  
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Highland Park, IL 60035

Re: Illinois Solar For All – **Project Selection Protocol**

Trajectory Energy Partners appreciates the opportunity to provide comments on the Project Selection Criteria for Illinois Solar for All released for review on April 5, 2019.

Trajectory Energy Partners makes the following recommendations:

1. Clarification of Maximum Incentive Value Size

The Program Administrator should adjust the selection criteria and provide clarification around a maximum incentive value size for any individual project. As the protocol is currently set up, if any individual project requested a total incentive value higher than the funds in that prioritization level, it would automatically be disqualified even if it was the highest scoring project in the first two prioritization levels. In particular, the project selection protocol has been set up in a way that makes it practically impossible for a full 2MW project to receive an award.

**Example:** A 2MW AC fixed tilt ground mounted community solar project could be expected to produce 50,000 MWh over 15 years. In Group B, the total REC award for this size project including a 50% small subscriber adder is over \$4.1M.

In Prioritization 1, any project scoring high enough to be selected, but that has an incentive value higher than the remaining funds is rejected. Because the total incentive value of a 2MW project is higher than the \$3.125M available in Prioritization 1, no full 2MW project can be selected in Prioritization 1 no matter what its scoring.

Prioritization 2 has the same funding limit, and the same result would occur.

In the General Selection (Prioritization 3) portion, if the project is part of the first attribute to be awarded to ensure 30% of the funds are spent on that attribute category, the project would have the opportunity to accept a reduced incentive

value if the total amount of its incentive request exceeds the funds in the 30% set-aside. Practically speaking, this could involve being offered less than 50% of the original incentive request, rendering the project unbuildable.

After the 30% requirements for the various attributes are awarded, if the project is selected, the remaining funds will most likely be well under the total incentive value for the project, once again likely forcing the project to accept an incentive award well under 50% of the requested amount.

Therefore, Trajectory requests that the Program Administrator clarify this question around larger projects, particularly in the Community Solar sub-category. Options include:

- A. Adjusting the protocols so that if a project is selected in either the Environmental Justice or Low-Income prioritization, and its total incentive amount is larger than the remaining funds in the prioritization, those funds are taken from the General Project Selection portion.
- B. Setting a maximum REC award for any individual project, and reconfiguring the protocols so that a project selected with a high score in Prioritization 1 or 2 has a mechanism for being awarded the requested amount.

Whether intentional or not, the practical effect of the current Project Selection Protocols is to limit the size of any individual project's incentive award, but in a very uncertain and somewhat arbitrary manner. Trajectory requests that the Program Administrator clarify this question, and adjust the protocols so that a project has a level of certainty about what level of incentive amount can be expected for a project.

## 2. Scoring of Community Engagement

At the presentation for the Project Selection Protocol on April 8<sup>th</sup>, the ILSFA Administrator stated that the scoring criteria was based on factors highlighted directly in the text of the Future Energy Jobs Act.

The Future Energy Jobs Act section 1-56 (b) (2) states with respect to IL Solar for:

“Priority shall be given to projects that demonstrate meaningful involvement of low-income community members in designing the initial proposals.”

For this reason, the level and quality of past and planned community engagement should be included as an additional scored factor in project ranking. The Approved Vendor Application finalized by the Program Administrator currently includes scored questions on community engagement, showing a straightforward approach to quantifying these qualitative factors. Thus each Approved Vendor will already have an existing score which can be referenced in order to gauge the level of engagement. This score can then be used to implement the prioritization of projects that demonstrate involvement of low-income community members, as required pursuant to FEJA as set forth above. For example, the scores for Questions 9(a), 9(b), 9(c), 9(d), and 10 on the Approved Vendor application could be summed in order to provide a total score for community engagement.

For example:

18 or higher score on Approved Vendor Community Engagement questions – 1 point

11 to 17 score on Approved Vendor Community Engagement questions – 0.5 point

10 or below score on Approved Vendor Community Engagement questions – 0 points

### 3. Reducing random selection as a tie-breaker

Before using random selection as a tie-breaker in project selection, the project with the highest Approved Vendor score should be awarded the REC contract. In the case of tied Approved Vendor scores, random selection would be the final tie-breaker.

### 4. Definition of Subscriber Owned Projects

At the presentation of the Project Selection Protocol on April 8<sup>th</sup> the ILSFA Program Administrator stated that a project developed and financed by a for profit developer that was slated for a transfer to a Rural Electric Cooperative or Municipal Utility 5 or more years in the future would count as Subscriber Owned under the scoring criteria.

On a different topic, the ILSFA Program Administrator, when asked why a community solar project with subscribers in Environmental Justice communities

would not count for the Environmental Justice Prioritization, answered that it would be too difficult to track the continuation of this commitment in the future. However, the geographic location of subscribers is a criterion already baked into the project eligibility system, by qualifying residents living in HUD QCTs. This geographic tracking system for eligible participants will be in place for the 15-year life of the project and could also be used to track location of subscribers in an environmental justice census block.

The approach to these two different issues is inconsistent and should be rectified. In one instance, a major financial transaction that may or may not happen 5 years in the future, is used to justify an additional scored criterion. In the other instance, a factor with a mechanism already in place to be tracked is deemed insufficient.

Trajectory understands the administrative difficulties in continued tracking of a set of subscribers over the life of the project. Therefore, Trajectory believes that for the sake of consistency and logic, a for-profit developer's project not be considered as Subscriber Owned if that project is scheduled for a future transfer to a Rural Electric Cooperative or Municipal Utility.

Thank you for your consideration.