

RESPONSE OF THE JOINT SOLAR PARTIES TO WORKFORCE AND VENDOR DIVERSITY REPORTING REQUEST FOR COMMENT

The Solar Energy Industries Association (“SEIA”), the Coalition for Community Solar Access (“CCSA”), and the Illinois Solar Energy Association (“ISEA”) greatly appreciate the opportunity to comment on the important topic of workforce and vendor diversity in the solar industry. This is an issue that is being tackled by the members of the Joint Solar Parties at a national and state level.

SEIA, CCSA, and ISEA each believe that a diverse workforce creates a more resilient organization - one that supports a strong, equitable solar industry. Initiatives and resources include:

- SEIA has assembled best practice standards and templates for tracking supplier diversity spending;¹
- SEIA has developed a best practice guide for workforce diversity;² and
- SEIA has launched a Diversity Challenge in an effort to encourage its own members, the energy industry more broadly and ultimately all American workplaces to make diversity and inclusion a core part of their cultural identity.
- SEIA also has signed, and encourages other solar companies to sign the PWC CEO Action for Diversity & Inclusion Pledge.³

SEIA, CCSA, and ISEA envision an industry that is committed to fostering a culture of inclusivity at all levels and each trade association and its members aim to achieve this by encouraging openness and transparency about diversity issues and progress.

The Joint Solar Parties support the principle of providing diversity information related to operations in Illinois. The Joint Solar Parties’ comments are primarily in the form of requests for clarification to ensure robust and correct information to be provided to the IPA.

A. Reporting of job training and workforce diversity information will be at the Approved Vendor level rather than reporting for each Adjustable Block Program project separately. Approved Vendors will be expected to report on the use of job training graduates and the Approved Vendor’s workforce diversity in aggregate.

B. For the Annual Report, information should be reported in two categories, Direct and Indirect.

- a. Direct means hiring and employment by the Approved Vendor, e.g., staff on the Approved Vendor’s payroll. For Approved Vendors that are LLCs without any employees, this hiring and employment information should be reported at the parent company level. Reporting should be limited to activities undertaken in relation to the marketing, sale, development, and operation of projects participating in the Adjustable Block Program.
- b. Indirect means hiring and employment conducted by the Approved Vendor’s designees, installers, marketing/sales sub-contractors, etc. as it relates to the marketing, sale, development, and operation of projects participating in the Adjustable Block Program.

¹ https://www.seia.org/sites/default/files/2020-03/SEIA-Supplier-Diversity-Guide-Questionnaire-2020_0.pdf

² <https://www.seia.org/research-resources/diversity-best-practices-guide-solar-industry>

³ <https://www.tfaforms.com/4728149>

JSP RESPONSE: The Joint Solar Parties support the principle of providing diversity information tailored to individual Approved Vendor operations in Illinois and information about contractors working with Approved Vendors. The Joint Solar Parties' comments are primarily in the form of requests for clarification with suggested responses. The Joint Solar Parties are primarily concerned with consistency across the industry and to ensure Approved Vendors report in the way the IPA expects. Thus, the Joint Solar Parties seeks clarification on the following questions about how to report the information above:

- Many developers—primarily early stage developers—find that the most straightforward asset sale framework in Illinois is to create (if it had not done so previously) single project Approved Vendors and then allow the asset buyers to buy the project company/Approved Vendor. In that scenario, the Approved Vendor would have changed ownership during the reporting period, meaning for an Approved Vendor without employees the relevant parent company employees would be completely different. JSP Recommendation: In such cases, reporting should be based on the *current* owner of the Approved Vendor as of the time of the report and not past owners.
- Approved Vendors that are in certain financing vehicles (such as a fund) may not have employees nor a parent company (direct or indirect) that markets, sells, develops, or operates the projects. In these cases, usually an Approved Vendor was sold to the fund by a developer and one or more third parties maintains the project (including subscription marketing). JSP Recommendation: Such an Approved Vendor should disclose that neither it nor its parent have employees and instead provide reporting on indirect hiring.
- There is no explicit beginning window for the diversity reporting, suggesting that the employees covered could include individuals employed going back to June 1, 2017 (or earlier). During that time, many Approved Vendors have hired new employees, promoted or reassigned employees, or had employees leave. JSP requests the IPA clarify if the reporting is based on current employees at the date of the report (and their work through May 31, 2020) or for employees who worked for the Approved Vendor at one point during that timeframe. JSP Recommendation: Report on employment information from the past delivery year (June 1, 2019-May 31, 2020), but allow narrative for Approved Vendors to clarify any scaling up or contraction in market due to outside forces, such as COVID-19 or funding of Adjustable Block Program.

In addition to the questions above related to direct employment, the Joint Solar Parties request additional clarification related to indirect employment reporting:

- Does the indirect employment reporting apply only to third party vendors or also independent contractors working alongside employees? JSP Recommendation: Either treat such independent contractors as employees for direct employment or as an uncategorized vendor (so as to protect the confidentiality of such individuals).
- What information should an Approved Vendor collect from their third-party vendors: information about the third-party vendor's employees in Illinois who perform the specific functions related to the Adjustable Block Program, or just such employees to the extent they worked on the Approved Vendor's projects? For example: If Approved Vendors 1-10 work with a particular general contractor, should the general contractor be providing each Approved Vendor the same information or only information about the general contractor's employees to the extent they worked on a particular Approved Vendor's

projects? JSP Recommendation: Getting hours breakdowns by projects will be easier for some third-party vendors than others—especially given that not all vendors keep time entries in the normal course of business. However, the Joint Solar Parties are sensitive to concerns about double counting. As a result, Approved Vendors should be allowed to rely on good-faith estimates in increments of not less than 0.1 FTE from their third-party contractors.

- Particularly in construction (although certainly not limited to that context), an Approved Vendor may contract directly with a general contractor that in turn hires subcontractors. Reporting on subcontractors—especially when the diversity reporting information was not available in time to incorporate into EPC or other contracts—may pose challenges in many cases. In another prominent example, an entity that provides Approved Vendor-as-a-Service—i.e. does not have any employees selling, developing, or installing systems—may contract with a system owner that contracted with an installer that subcontracted. JSP Recommendation: Indirect reporting should be limited to entities that directly contract with the Approved Vendor and not their subcontractors.

C. Reporting on hiring of graduates of Job Training Programs should only include graduates working in Illinois. Likewise, workforce diversity reporting should only include Illinois-based workforce.

D. For this first Annual Report, reporting will be based on all the Approved Vendor’s activities related to the Adjustable Block Program through May 31, 2020. Future Annual Reports will cover activities correlated to energy delivery years (June 1 to May 31). To the extent divisible, work related to the Illinois Solar for All Program should not be included, as that will be reported on separately.

JSP RESPONSE: Please see clarification above related to whether this covers current employees as of the reporting date or all employees who were hired, transferred/promoted, or no longer with the Approved Vendor. As noted above, the Joint Solar Parties recommend that the numerical table include current employees only (i.e. a snapshot in time at time completing report) but that Approved Vendors be able to provide narrative about hiring, promotions/transfers, and individuals no longer with the company.

E. The Future Energy Jobs Act (“FEJA”) created and provided funding for three specific job training program categories (Solar Training Pipeline Program, Craft Apprenticeship Program, and Multi-Cultural Jobs Programs). Quantitative reporting concerning trainees hired will distinguish between graduates of each of these programs and graduates of other training programs.

JSP RESPONSE: Aggregate information on this issue should be paired with information from the administrator(s) of these programs on the number of job trainees to have completed training and perhaps narrative information about work with Approved Vendors and related entities (such as non-Approved Vendor installers) on placement.

F. The Agency will publicly report aggregated data and other information from the Annual Reports that does not identify the specific Approved Vendor.

JSP RESPONSE: The Joint Solar Parties assume based on the phrasing above that the aggregated information will not be broken out by project type (i.e. small DG, large DG, community). The Joint Solar Parties recommend not breaking out information by project type or Approved Vendors focused on specific project types.

G. The Annual Report is due on July 15, 2020. In recognition of the short time to consider these draft requirements, and the subsequent finalized version, Approved Vendors may use the 90- day period specified in the Revised Plan to update and/or cure any deficiencies in the Annual Report to submit this information. In other words, Approved Vendors should endeavor to submit job training and workforce diversity information by July 15, 2020 if they have the necessary information already collected and available, but may submit job training and workforce development information at a later date. The 90-day period ends October 13, 2020. Each Approved Vendor will be asked to submit:

JSP RESPONSE: The Joint Solar Parties believe it is reasonable to provide information by October 13, 2020—provided that the IPA provides final forms and the guidance requested above not later than 60 calendar days before that date, specifically August 14, 2020. Also, to the extent that the IPA or Program Administrator receive questions from individual Approved Vendors with regard to reporting, responses should be promptly posted to an FAQ page (with company-specific information redacted) so that the entire market can benefit from clarifications.

1. Narrative Information (to be submitted via document uploads)

- a. A narrative description of the use of job training program graduates in connection with the Approved Vendor's Adjustable Block Program projects during the reporting period.
 - i. Examples of information that could be provided would include, but is not limited to, efforts undertaken to recruit/hire trainees (including successes as well as challenges found), if trainees were hired on a temporary or permanent basis, a part-time or full-time basis, and retention rates.
 - ii. If graduates of training programs other than those in the three FEJA categories were used, a description of those other training program(s).
 - iii. Approved Vendors should distinguish between information related to their Direct and Indirect activities based on the description in B. above.
- b. A narrative description of the Approved Vendor's efforts related to increasing the diversity of its solar workforce working on Adjustable Block Program projects during the reporting period.
 - i. This description should distinguish between increasing diversity of the installation workforce and workforce in administrative, sales, marketing, and technical roles. **JSP Response:** The JSP wish to point out that a number of Approved Vendors do not have an installation work force, while others primarily or exclusively outsource sales and marketing.
 - ii. Approved Vendors should describe the diversity of management and/or supervisory positions compared to their overall workforce working in connection with the Adjustable Block Program. **JSP Response:** JSP would like to clarify that this question may require a nationwide perspective

outside of the Adjustable Block Program, instead of the Illinois-focused workforce.

iii. Approved Vendors should distinguish between information related to their Direct and Indirect activities based on the description in B. above.

2. Quantitative Information

a. For reporting quantitative information, the Approved Vendor will submit information separately for Direct and Indirect work (as described in B. above).

JSP Response: JSP supports providing four charts: 1) Job Training Hiring for Development of Adjustable Block Program Projects – Direct, 2) Job Training Hiring for Development of Adjustable Block Program projects – Indirect, 3) Illinois-based Workforce Diversity – Direct, 4) Illinois-based Workforce Diversity – Indirect.

b. Percentage of workforce should be calculated based only on workforce working on Adjustable Block Program projects. The Approved Vendor should specify how calculated (e.g., hours worked, Full-Time Equivalents (“FTE”), or another methodology as described by the Approved Vendor).

c. Approved Vendors should clearly differentiate between information that is not available (“N/A”) and where the response is that no one was hired (“0” or “None”). For information that is not available the Approved Vendors should provide an explanation in the narrative on why the information was not available. **JSP Recommendation:** The Joint Solar Parties do not believe that an employer can legally force an employee to identify by race, gender, or veteran status. Many employers do collect this information on a voluntary basis. Approved Vendors are proud of the diversity of their organizations, and are excited about the opportunity to share that information. It is completely appropriate to expect Approved Vendors to do a diligent search of their own records. However, the Joint Solar Parties wish to emphasize that information is limited to employee self-reporting (and, in the case of indirect, employee self-reporting to the vendor that is then reported to the Approved Vendor).

In addition to the narrative responses above, the Joint Solar Parties recommend the following changes to the charts proposed by the IPA (additions **underlined and bolded**; deletions in ~~strike through~~):

Job Training Hiring for Development of Adjustable Block Program Projects

	# Full Time	# Part Time	# Temp	#Hired (total)	Average Wage (\$/hour)
Solar Training Pipeline Program					
Craft Apprenticeship Program					
Multi-Cultural Jobs Programs					
Other Job Training Programs (add rows as needed)					

Illinois-based Workforce Diversity

	FTE	% of workforce <u>that self-identified</u>
Race		
Black or African American		
Hispanic or Latino <u>Latinx</u>		
Asian		
American Indian or Alaska Native		
Native Hawaiian or Other Pacific Islander		
<u>Two or more races</u>		
<u>Did not self identify / Not disclosed</u>		
Gender Identity		
Female		
Non-binary		
Disabled		
Veteran		
Workforce percentage calculation methodology:		