



Proposed Residential and House of Worship Classifications Request for Stakeholder Feedback

October 14, 2021

Background

On September 15, 2021, Governor Pritzker signed the Climate and Equitable Jobs Act ([Public Act 102-0662](#)) into law. This Act includes significant changes to the Adjustable Block Program, including the establishment of prevailing wage requirements, except for select project types. Included among those exceptions are projects that serve residential properties and houses of worship. As this Act also frees up additional funding for supporting new renewable energy project applications, those changes include requirements that certain Adjustable Block Program categories reopen (or open for the first time, in the case of new categories) within 90 days after the effective date.

The Illinois Power Agency (“IPA” or “Agency”) is seeking feedback on certain provisions of the law in order to prepare for opening of additional blocks on December 14, 2021 in compliance with P.A. 102-0662. This feedback will be utilized by the Agency to develop interim requirements for the opening of blocks in December; such requirements may ultimately be revised and/or modified in accordance with the approval of the Agency’s next Long-Term Renewable Resources Procurement Plan by the Illinois Commerce Commission, which is expected to occur in the summer of 2022.

Through this Request for Stakeholder Feedback, the Illinois Power Agency is seeking feedback on the proposed classifications of, and confirmation process for, projects seeking prevailing wage exceptions.

The Agency proposes to use the classifications explained below on an interim basis, and will finalize classifications in the next draft Revised Long-Term Renewable Resources Procurement Plan to be released for public comment no later than January 13, 2021 (120 days after the effective date of P.A. 102-0662), with ICC approval expected in July 2022.

Responses to this Request for Stakeholder Feedback should be submitted to the IPA by November 4, 2021. Written responses should be emailed to IPA.Solar@illinois.gov with the subject “Responder’s Name - Response to Proposed Residential and House of Worship Classifications Feedback Request.”

In general, responses will be made public and published on the websites of both the [Adjustable Block Program](#) and the [Illinois Power Agency](#). Should a commenter seek to designate any portion of its response as confidential and proprietary, that commenter should provide both public and redacted versions of its comments. Independent of that designation, if the Agency or the Program Administrator

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determines that a response contains confidential information that should not be disclosed, the IPA reserves the right to provide its own redactions.

Proposed classifications below are organized by topic. Stakeholders are encouraged to provide additional thoughts on the following definitions.

Proposed Approach

Residential Classification

The Illinois Power Agency proposes to classify a *residential project* as:

- Solar projects located on a property where electrical usage at the premises is predominantly for residential household purposes.
- For mixed use buildings or sites, for that site to be considered “residential,” more than 75% of the site’s electric use must be used to for residential purposes.

The Agency proposes to confirm residential classification by reviewing applicable documentation submitted by the Approved Vendor through the Part I application. For all project applications, the Program Administrator maintains the right to request documentation to verify a system’s residential designation. All projects larger than 25 kW AC in size requesting to be classified as a residential project will be required to provide documentation through the Part I application demonstrating that the project meets the requirements to be classified as a residential project. Acceptable documentation includes, but is not limited to, an electric bill showing a residential rate class or a proof of the property’s tax class code. The Program Administrator will consider alternative documentation on a case by case basis.

Failure to provide sufficient documentation to demonstrate a project’s residential classification will result in the project being classified as non-residential, and thus potentially subject to statutory prevailing wage requirements under Section 1-75(c)(1)(Q) of the IPA Act (20 ILCS 3855).

House of Worship Classification

New Section 1-75(c)(1)(Q)(1) of the IPA Act defines a “house of worship” as:

property that is both (1) used exclusively by a religious society or body of persons as a place for

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religious exercise or religious worship and (2) recognized as exempt from taxation pursuant to Section 15-40 of the Property Tax Code.

The Agency proposes to confirm house of worship classification by reviewing applicable documentation submitted through the Part I application to meet the two requirements noted above. Applications will be required to submit a notarized affidavit from a responsible officer of the house of worship that it meets the first requirement. The Program Administrator reserves the right to request additional information to demonstrate compliance. Acceptable documentation for the second requirement includes documents showing exemption from taxation pursuant to Section 15-40 of the Property Tax Code such as a property tax bill.

Failure to provide sufficient documentation to demonstrate a project is a house of worship results in the project being potentially subject to statutory prevailing wage requirements under Section 1-75(c)(1)(Q) of the IPA Act (20 ILCS 3855), and applicable legal, program, and contractual penalties for failing to comply with those requirements.

Stakeholder Feedback Questions

1. For residential projects, is 75% of a site's electrical usage for residential purposes the appropriate standard for considering a site residential? Will this adequately meet the spirit of the law while at the same time accommodating circumstances such as farms and multifamily buildings that include retail spaces?
2. For residential projects, are there specific additional items beyond an electric bill showing a residential rate class or proof of the property's tax class code that should be considered acceptable documentation?
3. For Houses of Worship, are there specific considerations that should be included in the affidavit that the facility is used exclusively for religious exercise or religious worship?

Next Steps

Stakeholder feedback received on the proposals discussed herein will be considered for use in the opening of new blocks of Program capacity, and possible inclusion in the development of the new draft Long-Term Renewable Resources Procurement Plan.

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