

To: Illinois Power Agency
From: The Joint Non-Governmental Organizations (ELPC, NRDC, Vote Solar)
Date: November 9, 2021
Subject: Response to Community-Driven Community Solar Feedback Request

The Environmental Law and Policy Center (ELPC), Natural Resources Defense Council (NRDC) and Vote Solar (VS), commenting together as the Joint Non-Governmental Organizations or Joint NGOs, appreciate the opportunity to provide feedback on the IPA's proposal around community-driven community solar.

The Joint NGOs have been involved in back and forth over how to advance projects intended to diversify the community solar program since the IPA began developing its initial Revised Long-Term Renewable Resources Procurement Plan more than two years ago. Indeed, the scoring approach approved in that plan drew elements from an ELPC/Vote Solar proposal.

In drafting this feedback, the Joint NGOs have focused on improving the scoring approach approved in that plan, as the IPA is directed by law to use that approach (see 20 ILCS 3855/1-75(c)(1)(G)(iii)(5)). However, it is important to note that this scoring approach was intended to advance a more diverse set of community solar projects, *not* to advance community-driven ones. In contrast, this Adjustable Block Program category is explicitly intended for the latter. **Therefore, it is critical that the IPA work, within the bounds of the clear statutory direction provided in subparagraph (G), to elevate the elements of this proposal that would meaningfully advance community-driven projects.** The below feedback makes suggestions to achieve this critical goal through direct response to the IPA's questions plus two additional comments.

1. Do the point allocations properly weight considerations intended to "increase the diversity of areas hosting community solar projects, the business models of projects, and the size of projects"?

The proposed point weightings are not inappropriate, but should be improved by increasing the points offered for community engagement/involvement (currently proxied as site-specific RFP). Furthermore, the scoring system should be improved by the adoption of a minimum score requirement.

Increase points for community engagement. Currently the proposal offers two points for attributes that increase the diversity of areas hosting community solar projects (development density points) and the size of projects (project size points), but offer only one point for projects that aim to increase the diversity of project business models by encouraging community engagement (site-specific RFP). In order to weight the diversification of business models equally to the diversification of locations and size and, particularly, in light of the fact that this

category of the Adjustable Block Program (ABP) aims to advance “community-driven” projects, the Illinois Power Agency (IPA) should increase the points offered for community engagement (how to do this will be discussed in response to Question 3 below).

Adopt a minimum score. As the Joint NGOs have argued at more length in the past¹, it would be counter to the goals of this program to advance a project that does nothing to “increase the diversity of areas hosting community solar projects, the business models of projects, and the size of projects” through this scoring system. Furthermore, advancing such projects under the banner of community-driven community solar now runs counter to the clear statutory goals of this new ABP category to: “provide more direct and tangible connection and benefits to the communities which they serve or in which they operate and, additionally, to increase the variety of community solar locations, models, and options in Illinois.” (20 ILCS 3855/1-75(c)(1)(K)(v)) In light of this new and very clear guidance, the Joint NGOs once again recommend the adoption of a minimum score to ensure the proposed scoring protocol cannot advance projects scoring zero points (and thus failing to advance statutory goals), even if there is more capacity in the category than there are applicants to it.

2. How should the Agency define community group for this selection process? Should the Agency use the definition of community-based organization used for the Illinois Solar for All Program (see Section 8.6.2 of the current Long-Term Plan), or should a different standard be used?

The definition of community-based organization used for the Illinois Solar for All Program is an appropriate way to define community group for this reopening project selection process, although we are also open to refinement based on the good ideas of other commenters.

3. The purpose of the point awarded to projects developed in response to a site-specific RFP is to demonstrate community engagement and involvement. Are there other ways community engagement and involvement could be demonstrated beyond a site-specific RFP? How could such engagement/involvement be verified?

Expand criteria for community engagement demonstration. There are other ways to demonstrate community engagement and involvement beyond a site-specific RFP and the IPA should expand the criteria for community engagement to accommodate them.

First and foremost, the IPA should follow in New Jersey’s footsteps to award points for projects developed by or in partnership or collaboration with a public entity² or community group. The

¹ See Joint NGOs’ [Objections](#) to the IPA’s Revised Long-Term Renewable Resources Procurement Plan (LTRRPP) (p 3), [Response](#) to the IPA’s Community Solar Project Selection Feedback Request (p 2 & 5-6), and [Response](#) to the IPA’s Request for Comments ahead of its second draft update to LTRRPP (p 2).

² The Joint NGOs are supportive of considering public entities generally, rather than municipalities in particular, but do not believe that such an expansion is critical.

New Jersey Board of Public Utilities runs a Clean Energy Program which has now held two annual rounds of applications for its Community Solar Energy Pilot Program. In the most recent round, points were awarded for “formal agreement, ongoing collaboration or effective partnership with municipality and/or local community organizations and/or affordable housing provider.”³ Guidance for appropriate demonstration of this community engagement can be found in the Application Form for Program Year 2:

Partnership or collaboration with the municipality is defined as clear and ongoing municipal involvement in the approval of the design, development, or operation of the proposed community solar project (e.g. project is located on a municipal site, municipality facilitating subscriber acquisition, municipal involvement in defining the subscription terms, etc.). Examples of evidence may include a formal partnership, a municipal request for proposals or other public bidding process, letter describing the municipality’s involvement in the project or meeting minutes. Documentation must be specific to the project described in this Application; “generic” documentation of support that applies to multiple projects submitted by the same Applicant will not be accepted.⁴

Furthermore, in light of the fact that this category of projects is “community-driven” community solar, and the clear interest conveyed in the legislative language, cited above, for these projects to provide connection and benefit to communities, the community engagement criteria should be able to receive higher points than any other criteria. Specifically, projects developed in collaboration or partnership with a community-based organization or public entity should receive at least 3 points in the scoring rubric. The rubric should offer an additional, separate point under the banner of community engagement for projects that are or will be owned by their subscribers, for instance through a cooperative ownership model⁵. Additionally, the Joint NGOs continue to support a separate, lower point award (e.g. 1.5 points) for projects that are simply developed on land owned by a public entity or community-based organization.

Finally, even if the IPA opts to take nothing further from the New Jersey Board of Public Utilities’ approach, it should expand the type of bidding processes allowed for qualification to any sort of bidding or application process. There is no good policy reason to specify an RFP, versus other kinds of bidding processes.

4. How long over the life of a community solar project should the local subscriber requirement be maintained? How should local subscriber turnover be handled?

³ See pages 37-38 (paper) or 4-5 (pdf) of the [Appendices to Application for Program Year 2](#).

⁴ See pages 20-21 (paper) or 13-14 (pdf) of the [Application for Program Year 2](#).

⁵ The Joint NGOs do not necessarily anticipate that any such project will emerge for this particular reopening period. Projects involving community ownership are more complex than those that do not and the provisions of law incenting such ownership are too new to expect a rapid response. Nonetheless, should such a project apply, it should be rewarded with extra points for the inclusion of a community ownership component.

While the Joint NGOs are open to a range of approaches on this point, one appropriate approach would be for the local subscriber requirement to be maintained for the full duration of the REC contract. Other states have community solar programs with proximity requirements and those requirements stay in place for the lifetime of the program, so maintaining the requirement for the duration of the REC contract seems reasonable. Furthermore, the IPA should not require any additional collateral as part of enforcing this requirement.

5. Should smaller community-solar projects (e.g., those below 100 or 500 kW) have a smaller area allowed for local subscribers, and if so, what would be recommendations on an appropriate geography?

Lower points for small project sizes. The Joint NGOs agree with the implication that it will be (in some cases far) easier for small projects to make local subscriber commitments than large ones and that these two criteria, taken together, are not properly weighted. Ultimately, however, we believe this is another illustration of the risks of awarding points for small projects in isolation of other project characteristics. As we discussed in our December 2020 comments:

In particular, the JNGOs are concerned that awarding points for small project sizes could lead to perverse outcomes. Only a handful of small projects entered the original community solar lottery. Given economies of scale for larger projects, these projects were likely less than 2 MW, not just for the sake of being smaller, but due to unique project and site characteristics. It is these unique characteristics that would meaningfully advance program diversity - project size is effectively a proxy. But awarding points for smaller projects actually incents developers to artificially limit the size of the projects they enter for selection, regardless of project or site characteristics. This incentive means the diverse project selection approach could end up advancing 500 kW projects on sites that developers had been scouting for 2 MW projects under the previous lottery. This outcome would be unsatisfactory from a diversity standpoint and would result in higher program costs without delivering meaningful diversity benefits - it should therefore be avoided.

In light of the compounded risk of unsatisfactory outcomes when projects built small solely for the sake of smallness are then more easily able to make a proximal subscriber commitment, the IPA should lower the number of points available for small projects, such that projects less than 500 kW receive 1 point and projects less than 100 kW receive 0.5 points.

6. In the now-withdrawn Draft Second Revised Plan, the Agency had proposed awarding 1 point for projects that do not take agricultural land out of production. Should this be included as a selection criterion, and why or why not?

The Joint NGOs continue to support an award of 1 point for projects that are not located on greenfields as a meaningful departure from the types of community solar business models predominant to date in Illinois. Should the IPA include this point, however, it should explicitly be for non-greenfield projects – including brownfield, landfill, rooftop, and canopy projects – rather than for projects that “do not take land out of agricultural production.” The latter phrasing perpetuates the stigma that solar is a bad thing for the Illinois agricultural community and the incorrect notion that solar expansion risks pushing vast portions of agricultural land out of production (it does not).

Additional comments

Project application window should depend on timing of next block, not Plan release. As the IPA is already aware from past stakeholder feedback rounds, 180 days is a problematically short period of time in which to prepare a community-driven community solar project for application. During the IPA’s October 21st webinar, Director Star indicated that, despite this, 180 days was proposed in order to sync up with the release of the anticipated second revised Long-Term Plan, as that plan will yield a new and different scoring approach for community-driven community solar.

While the Joint NGOs agree that the reopening block for community-driven community solar should be fully allocated prior to embarking on the following block, that need not be in June 2022. There will presumably be a lag between when the Plan is finalized and when the next program block opens and this time can and should be used to extend the reopening project application window. While the IPA will be better placed than the Joint NGOs to judge how long this should be, we suspect that by taking this approach the project application window could easily be extended by 30 to 90 days, while still leaving an appropriate window between the close of that window and the opening of the next ABP block.

Should the IPA believe it is imperative to hold the initial scoring for community-driven community solar prior to the Plan finalization, it should still allow applicants into the program to use any remaining capacity, after that time, so long as they meet a minimum score threshold. In particular, the Joint NGOs would not want to see capacity allocated away from this category, in the event it is not fully utilized due to a short project application window, any sooner than is absolutely necessary to enable its use in the next program block.

Allow projects with deep community engagement to substitute a pre-application report for an interconnection agreement. This reopening period, which will likely have a smaller block size and shorter application window than future ones, is an appropriate, limited opportunity to pilot the use of pre-application reports, rather than interconnection agreements for community-driven community solar applicants.

Interconnection agreements will be difficult for new projects to obtain in a 180-day period. As a result, the requirement for these agreements could stymie community-led efforts in favor of developer-led projects already in the works. Furthermore, the cost of securing an interconnection agreement may not be something we want truly community-driven projects to bear on a speculative basis. At the same time, any relaxation of the interconnection agreement requirement risks the introduction of more speculative projects and/or projects that run aground later in the process due to higher than anticipated interconnection costs.

With this in mind, the Joint NGOs recommend a targeted relaxation of the interconnection agreement requirement, intended to enable new, community-driven projects to participate in this ABP block. Only projects that demonstrate a clear and ongoing partnership/collaboration with public entities/community-based organizations or community-owned projects should be allowed to participate without the interconnection agreement. And such projects should still be required to obtain a pre-application report in order to gain some understanding of the likely cost of interconnection.

There are both risks and opportunities that would come with relaxing the interconnection requirement, but Illinois will not be able to fully understand either without testing the waters. This reopening period may be the best opportunity the State will have for doing so. Should the IPA judge it prudent to further limit the risks associated with a such pilot, it could institute some cap on the portion of capacity it will allow to go to projects without their interconnection agreement (e.g. 50%).