



Traditional Community Solar Project Selection Strawman Proposal Request for Stakeholder Feedback

September 1, 2022

Background

Section 1-75(c)(1)(K)(iii)(1) of the IPA Act provides that “traditional” community solar projects applying to the Adjustable Block Program shall be selected on a “on a first-come, first-serve basis,” but that “additional methods to prioritize projects that are submitted at the same time.” In its Order approving the IPA’s 2022 Long-Term Plan, the Illinois Commerce Commission agreed that “at the same time” should mean on the same day, thus leaving the question of how to rank-order project applications should first day (or any subsequent day’s) applications exceed category capacity.

In its March 2022 Long-Term Renewable Resources Procurement Plan filed with the Illinois Commerce Commission for approval, the Agency proposed sorting equivalently “first” projects through a scoring system “that prioritizes qualitative aspects of individual projects,” with the highest scoring projects given selection priority. That scoring approach awarded points based on built environment, siting, equity eligible contractor, and interconnection application effective date criteria. In approving the Long-Term Plan, the Commission found that “the scoring process proposed by the IPA appropriately weighs projects based on policy goals contained in P.A. 102-0662,” but also found that “having a currently valid, executed [interconnection agreement] should be encouraged” and directed that it be “included as one of the scoring criteria in the IPA’s waitlist scoring system.”

In terms of how to fold these criteria into the IPA’s scoring system, the Commission “[did] not make a finding on the appropriate number of points to assign to this criterion,” leaving that decision to the IPA in consultation with stakeholders. The Commission further directed the IPA “to consider and discuss with stakeholders the inclusion of the JSPs’ two additional interconnection scoring criteria, the removal of the currently proposed interconnection criteria, and any other interconnection-related criteria that the IPA believes warrant consideration.”

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This Commission also directed that a “threshold point requirement to enter the waitlist” be adopted to “help ensure that only projects that meet some minimum requirements are on the waitlist.” That numerical points threshold must be “above the number of points assigned to having a currently valid, executed [interconnection agreement], such that a project would have to meet at least one other scoring criterion (if not multiple other criteria) in order to enter the program queue.” The Commission also supported the adoption of a developer cap, but directed that specifics of the above items “can be worked out in the stakeholder process” with the IPA directed to “continue stakeholder discussions to finalize the waitlist requirements with the modifications adopted herein.”

This document provides a preliminary proposal for resolving these issues, resolving other issues related to community solar project selection extending from the Commission’s Order, and addressing any additional ambiguities in community solar project selection. The IPA believes that publishing a draft proposal will best facilitate constructive dialogue and presents this draft for stakeholder feedback; **parties should not take actions in reliance on this draft approach.**

The pages below present a draft scoring proposal in line with the Commission’s Order, walks through the policy basis behind that scoring approach, and lastly attempts to resolve other areas of ambiguity through proposals and policy discussion. Again, these are merely draft proposals for comment; robust and comprehensive stakeholder feedback is strongly encouraged. Outside of those items mandated by law or the Commission’s Order, no final decisions have yet been made.

The Agency seeks stakeholder feedback on proposed modifications to the Project Information Release Protocol. Responses to this Request for Stakeholder Feedback should be submitted by September 16, 2022, to the IPA via email to IPA.Solar@illinois.gov with the subject “Responder’s Name - Response to TCS Scoring Strawman Proposal Feedback Request.”

In general, responses will be published on the [Adjustable Block Program website](#). 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 determines that a response contains confidential information that should not be disclosed, the IPA reserves the right to provide its own redactions.

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The proposed approach outlined below includes specific questions that stakeholders should consider. Stakeholders are also encouraged to provide additional thoughts on the proposal that are not directly addressed in the questions below.

Proposed Approach

Proposed minimum point threshold for waitlist acceptance – 5 points

Projects must receive a minimum score of 5 points to receive a spot on the waitlist. Should first day project applications *not* exceed category capacity, then all applicant projects otherwise qualifying shall be deemed acceptable and may qualify for a REC Delivery Contract. Should category capacity fill later in the program year, then from that point forward, only projects meeting this scoring threshold may be considered for a waitlist spot for the traditional community solar category. Demonstration of continuous site control will be required to maintain a waitlist position throughout the program year and into the next program year; the degree to which this is monitored by the Program Administrator, and the manner of that monitoring, will be determined at a later date.

Scoring Proposal – Criteria and Weighting

The scoring proposal largely mirrors that adopted by the Illinois Commerce Commission through approving the IPA's proposal in Docket No. 22-0231, with the interconnection category modeled somewhat off the approach taken by the Joint Solar Parties in their Brief on Exceptions. The Agency proposes to begin accepting Traditional Community Solar applications on November 1, 2022 with that "first day" application window ending at 11:59:59 PM CT. Where applicable, additional clarifications are made through modifications or footnotes below.

1. Built Environment – Maximum of 4 points permitted

- a. Sited on "disturbed land" as defined by United States Geological Survey,¹ "contaminated lands" as defined by the United States Environmental Protection

¹ The USGS further defines disturbed lands between mechanically and non-mechanically disturbed lands, both which fall under the larger umbrella of disturbed lands used in this Plan.

Mechanically disturbed - Land in an altered and often non-vegetated state that, due to disturbances by mechanical means, is in transition from one cover type to another. Mechanical disturbances include forest clear-cutting, earthmoving, scraping, chaining, reservoir drawdown, and other similar human-induced changes.

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Agency,² or rooftops or other structures as outlined in the Commission's Final Order. (Add 2 points)

- b. Sited on a brownfield, as defined in Section 1-10 of the IPA Act and further clarified in Section 5.4.2 of the Plan.³ (Add 2 points)

Non-mechanically disturbed - Land in an altered and often non-vegetated state that, due to disturbances by nonmechanical means, is in transition from one cover type to another. Nonmechanical disturbances are caused by wind, floods, fire, animals, and other similar phenomenon.

The IPA is aware that the USGS no longer utilizes these classifications as land cover categories and does not have an available mapping tool; as the Agency considers this definition to have been approved by the Commission through its Final Order in Docket No. 22-0231, the Agency proposes that compliance be demonstrated through supporting documentation (which could include government records, financial records, other land use records, news stories, attestations from local officials, and other records demonstrating that the site meets the disturbed land criterion) and an accompanying certification from the applicant. The Agency is interested in additional feedback on how to otherwise verify that a site meets the above USGS definitions.

² See U.S. EPA definition for [contaminated lands](#).

³ The Agency recognizes that there may be overlap between projects defined by the U.S. Environmental Protection Agency ("EPA") as a brownfield that also meet the definition of contaminated lands. The Agency believes that allowing a contaminated project that qualifies as a brownfield site under Section 1-10 of the IPA Act to receive points in both categories fits within the spirit of this scoring criteria. Therefore, if a project is sited on a location that independently qualifies as both contaminated lands defined by the U.S. EPA *and* as a brownfield under Section 1-10 of the IPA Act, the project may receive points under both (a) and (b) of the Built Environment scoring.

In order to qualify as a brownfield under Section 1-10 of the IPA Act, the project must be able to demonstrate that it is sited in an area that is either (1) located at the site of a coal mine that has permanently ceased coal production, permanently halted any re-mining operations, and is no longer accepting any coal combustion residues, *or* (2) is regulated by one of the following entities under the following programs: (a) the U.S. EPA under the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"); (b) the U.S. EPA under the corrective Action Program of the federal Resource Conservation and Recovery Act, as amended ("RCRA"); (c) the Illinois EPA under the Illinois Solid Waste Program; or (d) the Illinois EPA under the Illinois Site Remediation Program ("ISRP"). Approved Vendors must submit sufficient documentation to demonstrate that the project is located at the site of a permanently closed coal mine or a site regulated by the identified program above.

To demonstrate brownfield qualification, the IPA will use the same qualification and evidentiary standards as utilized in its most recent Indexed REC procurement event; those can be found in [Section IV.4 of the Indexed REC RFP Process and Rules](#) published March 29, 2022.

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- c. Commitment to utilize agrivoltaics⁴ or dual use solar. (Add 1 point)
- d. Commitment to pollinator friendly habitat, as defined in in the Pollinator Friendly Solar Site Act (525 ILCS 55). (Add 1 point)
- e. Sited on Conservation Opportunity Areas as defined by the Illinois Department of Natural Resources.⁵ (Subtract 2 points, unless the project received points for 1.d. *and* is sited in an Environmental Justice Community, an R3 area, and/or on a brownfield site, contaminated land, or rooftop or other structure)

2. Siting – Maximum of 4 points permitted

- a. Sited in an Environmental Justice Community. (Add 2 points)
- b. Sited on land owned by a non-profit or public entity. (Add 2 points)
- c. Sited in a county (or a township within Cook, DuPage, Kane, Lake, McHenry, or Will County) that does not currently have a community solar project that was approved by the ICC for a REC contract under the Adjustable Block Program at the time of application. (Add 2 points)⁶

3. Equity Eligible Contractors – Maximum of 4 points permitted

⁴ The IPA proposes to define agrivoltaics as “[a] configuration where solar photovoltaic energy generation and agricultural production (crops, livestock, and livestock products as defined by 505 ILCS 5/3.02) are directly integrated and simultaneously producing within the footprint of the project. At least 75% of the project footprint must feature agricultural production at the time of project energization. The Agency is interested in feedback on whether this is indeed the appropriate definition to utilize, whether livestock use should be considered under this definition, and what threshold of agrivoltaics use should apply for qualification.

⁵ See IDNR’s Conservation Opportunity Areas [Region Locator Map](#).

⁶ Multiple projects in a given county or township that does not presently feature a community solar project either under contract or part of developers’ March 2022 reopening portfolios may receive points in this category for the current program year. The IPA understands that project application reports can be used to verify this information, but is interested in feedback if those project application reports are insufficient.

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- a. Project is developed by an EEC certified Approved Vendor and can demonstrate contractual commitments for all project development work⁷ to be performed by EEC certified Designees. (Add 4 points)
- b. Project is developed by a non-EEC certified Approved Vendor and can demonstrate contractual commitments for all project development work to be performed by EEC certified Designees. (Add 3 points)
- c. Project is developed by an EEC certified Approved Vendor and the contractual commitments for EEC certified Designee(s) that work on the project represent 50% or more of the project's REC Contract value⁸ (Add 2 points)
- d. Project is developed by a non-EEC certified Approved Vendor and the contractual commitments for EEC certified Designee(s) that work on the project represent 50% or more of the project's REC Contract value (Add 1 point)

4. Interconnection Status – Maximum of 4 points permitted

- a. Project has a valid interconnection agreement at the time of application (Add 1 point)⁹

⁷ For purposes of this category, “project development work” refers to all construction and electrical work performed on the project, and not to site assessment, permitting, legal, and other functions which a) may have already been undertaken and b) are not construction-related. This definition also differs from the “project workforce” definition utilized for the minimum equity standard, for which a firm’s Illinois-based employees are included in the “project workforce” regardless of function.

⁸ For purposes of this category, the IPA proposes for an assessment of the percentage of the REC contract value spent utilizing EEC-certified Designees to be taken through a comparison of a) the value of the REC Delivery Contract (expected deliveries x REC price across the contract term) and b) the demonstrated value of agreements for the construction and electrical work to be performed by EEC-certified Designees in developing the project, with those agreement submitted to the Program Administrator at the Part II stage. If the latter value meets or exceeds 50% of the former value, then that project will be deemed to have met this criterion.

⁹ Pursuant to Article 3 of the Interconnection Contract (see 83 Ill. Adm. Code Part 467, Appx. C), the interconnection agreement will be considered “valid” if it is fully executed by both parties and the effective of the contract date (i.e., the date noted in the first paragraph of the agreement, pursuant to 3.1 of the contract) falls before the date of the application.

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- b. Project has a top-two queue position among community solar projects on a substation on the date of the application (Add 2 points)¹⁰
 - c. Recency of project having obtained a valid interconnection agreement (Add up to 1 point)
 - i. Should project applications received on the first day exceed category capacity, the project with the earliest interconnection agreement effective date will receive a full 1 point. If there are multiple projects that share the earliest interconnection agreement effective date, they will each receive 1 point.¹¹
 - ii. The project with the latest (i.e., most recent) interconnection agreement effective date will receive 0.25 points. If there are multiple projects that share the latest interconnection agreement effective date, they will each receive 0.25 points.
 - iii. Projects applying on November 1, 2022, with an interconnection agreement effective date between the earliest and latest dates as established in i. and ii. directly above, will be assigned points based on a sliding scale between 1 and 0.25 points based upon their rank-order from the earliest effective interconnection date to the latest effective interconnection date. Each independent effective interconnection date within this rank-order will be assigned an independent fractional score between 1 point and 0.25 points. As such, projects that have the same effective interconnection agreement date will receive the same number of points.

¹⁰ Demonstration of queue position among other community solar projects can be accomplished through a snapshot of the interconnection queue (taken after interconnection agreement execution) or other supporting materials, if applicable, submitted with a project application and accompanying certification. The IPA will also endeavor to work with the utilities to verify the accuracy of queue position submittals and reserves the right to take disciplinary action against firms found to have knowingly submitted a false queue position. The Agency also specifically requests feedback regarding the feasibility of this approach for projects that may be located in the service territory of a municipal utility or an electric cooperative.

¹¹ As noted above, Section 3.1 of the contract defines the effective date of the interconnection agreement as the date noted in the first paragraph of the agreement. (83 Ill. Adm. Code Part 467, Appx. C).

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- iv. If a project lacks an effective interconnection agreement, no points will be awarded to that project under this category for that project.
 - v. For projects submitted *after* the first day of category opening (i.e., on or after 12:00:00 AM CT November 2, 2022), will be assigned points based upon the recency of the agreement on a sliding scale based upon their rank-order from earliest effective interconnection date to the latest effective interconnection date; the maximum available points for recency of interconnection agreement shall be .25 points (for the earliest interconnection date), and the minimum points available shall be .10 points (for the latest interconnection date).

Rationale Behind Scoring Approach

A waitlist threshold of 5 points provides a total amount above the maximum possible amount of points through interconnection agreement status (1 points for having an effective agreement, 2 points for superiority in queue position, and up to 1 point for agreement recency). This satisfies the Commission’s requirement that the threshold be “above the number of points assigned to having a currently valid, executed [interconnection agreement], such that a project would have to meet at least one other scoring criterion (if not multiple other criteria) in order to enter the program queue,” while hopefully still a) ensuring a steady flow of projects into the program overall and b) allowing early application from otherwise promising projects that cannot obtain an interconnection agreement in time for application.

This approach also more heavily weighs queue position (which may be a useful proxy for development potential, and at minimum provides a more useful cost estimate back to the developer) than just having the interconnection agreement itself in hand. More heavily weighting queue position may also curb the number of projects seeking interconnection agreement, as a developer may be less incentive to speculatively pursue an interconnection agreement (and receive only one point) if it cannot secure a priority substation queue position. While awarding points based on a top two substation queue position was taken from the Joint Solar Parties’ Reply brief, as the Joint Solar Parties point out in their Brief on Exceptions, queue position is not always a perfect proxy for readiness. The Agency is thus interested in alternatives to substation queue position that could provide a better means for sorting projects by development certainty (including feeder position, or some combination thereof).

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The scoring approach also combines elements of the filed Plan’s fractional, rank-ordering of projects that avoids the need for random selection as a tiebreaker while also satisfying the Joint Solar Parties’ desire that *original* interconnection agreement effective dates be disregarded. The maximum of a 4-point award for interconnection agreement criteria reflects the maximum amount available under the filed Plan’s proposal and maintains the relative importance of this qualitative attribute relative to the other qualitative attributes evaluated.

Ideally, this scoring approach is calibrated to keep a crush of needless interconnection applications out of the interconnection queue (as a project may still qualify for the waitlist without an interconnection agreement) while also providing a sufficient program gatekeeping function to dissuade highly speculative applications. The IPA is interested in stakeholder feedback on whether this approach accomplishes these ends, and if not, how to better accomplish them.

Additional Items

Developer Cap

The IPA proposed a 20% developer cap in its filed Plan; although the Commission found that this cap was “not described in sufficient detail by the parties,” the Agency believes that prior experience utilizing a developer cap for the 2019 lottery and for the 2021-22 ABP reopening provides useful reference points. That 20% value is consistent with the value used during the 2019 lottery process and 2021 waitlist allocations arising from Public Act 102-0662, and should similarly apply inclusive of both the applicant firm and any affiliates. The Agency proposes that this cap would be applied across megawatts awarded, rather than the number of contracts awarded (that is, if the capacity for the Traditional Community Solar category were to be 100 MW in a program year, a single developer could be awarded at most 20 MW; the number of contracts awarded is unrelated to the developer cap).

As the Commission’s Order voices concern over ensuring “a fair ranking of the waitlist,” the Agency believes contract awards off an established projects should not be made to a firm who would then hold over 20% of contract awards made for that program year (non-inclusive of

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transfers or assignments¹²) through the waitlisted project contract award. Thus, while an entity that was awarded the maximum of 20% of REC Delivery Contract awards could have the highest ranked projects on an ordinal waitlist (and that *ranking* would not change, including for use in the next program year), those projects would only be awarded REC Delivery Contracts in the current program year in the case of a removal of one (or more) of that entity's projects already having received a contract award so as to ensure that the 20% developer cap would not be exceeded.

Qualification, Demonstration, Verification, and Compliance

Each criterion carries different challenges with verifying qualification for preference in scoring. While some criteria are binary and compliance can be demonstrated through an address or cross-referencing a map, in other cases, robust documentation will be required to demonstrate qualification. In general, qualification will be demonstrated through supporting materials demonstrating that the criterion is met and an accompanying attestation, and the Program Administrator will assess the sufficiency of a submittal and request additional information where appropriate.

Demonstration of compliance with EEC scoring adds provides timing challenges: while demonstration that the *applicant Approved Vendor* is an EEC is straightforward—either that entity has qualified as an EEC, or it has not—demonstrating qualification of subcontractor Designees may not be possible at the time of Part I application. The Agency thus proposes that while an applicant need not demonstrate contractual relationships with an EEC sufficient to cover all or up to half of project development work at the time of Part I application, the Part I application must include identification of an applicable EEC and an attestation from an EEC of its interest and capacity to perform project development work.

For agrivoltaics use, the IPA proposes that the Part I application be required to include a report demonstrating the planned agricultural use of the site, and explanation of the viability of that use, and an accompanying attestation. Firm demonstration of active agricultural use would be required at Part II.

¹² The Agency proposes the developer cap be applicable only to project submissions by an individual Approved Vendor; there will be no prohibition on an Approved Vendor assigning a project for which it received a contract award within a specific program year to another Approved Vendor which has met the development cap with its own submissions within that same program year.

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To ensure compliance, the IPA proposes that the failure to meet any criteria which resulted in more favorable scoring (and thus a higher likelihood of contract award) be considered an event of default resulting in the full forfeiture of collateral, with the system unable to be Part II verified. Thus, if a project did not use sufficient levels of EEC designees or failed to leverage the project site for agricultural use, Approved Vendors would have the right to appeal Program Administrator determinations of non-compliance with scoring criteria to the IPA. A demonstrated pattern of such defaults could result in disciplinary action, including ineligibility for future contract awards.

Additionally, the IPA is interest in feedback on a) whether post-energization reporting should be required in the case of agrivoltaics use and b) any other criterion may also require post-energization reporting; on first blush, the IPA believes other criteria can be assess either at the time of Part I application or the time of Part II application.

Next Steps

Stakeholder feedback received on this Traditional Community Solar Project Selection Strawman Proposal will be reviewed and considered by the Agency prior to releasing the final Traditional Community Solar Project Selection criteria. The Agency plans to publish the finalized scoring criteria in early October and will update the Program Guidebook accordingly thereafter.

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