

ILLINOIS POWER AGENCY

Rationale Document - Traditional Community Solar Scoring Approach

The IPA deeply appreciates comments received through its stakeholder comment process conducted in September 2022 on scoring project applications within the Traditional Community Solar category. The comments received helped the Agency to refine the scoring proposal for the category in anticipation of the opening of the Adjustable Block Program ("ABP" or the "Program") Portal for acceptance of community solar applications on November 1, 2022, in accordance with the 2022 Long-Term Renewable Resources Plan.

The final 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 proposed by the Joint Solar Parties in their Brief on Exceptions. The Agency provides this rationale document to offer explanation as to how and why certain decisions were made around the scoring process for Traditional Community Solar applications which are submitted on the same day in order to determine a rank-ordering and possible waitlist. The processes described in the Final Guidelines will be put into place on November 1, 2022.

As explained in the Agency's <u>Request for Stakeholder Feedback</u> on this topic, Section 1-75(c)(1)(K)(iii)(1) of the of the Illinois Power Agency Act requires the Agency to select Traditional Community Solar projects "on a first-come, first-serve basis," but that the Agency may utilize "additional methods to prioritize projects that are submitted at the same time." In its Order approving the 2022 Long-Term Plan, the Commission agreed that "at the same time" should mean on the same day, and directed the Agency to conduct a stakeholder process to determine the appropriate method for rank-ordering project applications submitted on the same day, should those applications exceed capacity allocated to the category.

Following the publication of a Strawman Proposal on September 1, 2022, the Agency received written comments from numerous stakeholders about various parts of the proposal, including the minimum point allocation, details surrounding built environment scoring, calculation of the Equity Eligible Contractor commitment, and scoring allocations for interconnection agreements, among other items.

Minimum Point Allocations and Score Updates

Several commentors suggested that the Agency should adjust the minimum point threshold put forth in the Strawman Proposal. The Agency has determined that the minimum point threshold shall be maintained at 5 points. Utilizing a scoring mechanism that allows for less than 1 point between the maximum interconnection scoring and the threshold minimum score (as sought by

¹ A previous version of this document contained a typographical error that noted an incorrect point threshold of 4 points.



certain commenters) does not appear to be consistent with the spirit Commission's directive that the minimum score shall exceed the number of points available for interconnection agreements, and the IPA believes that a one point difference is the lowest possible difference while maintaining the integrity of the Commission's requirement that the threshold score exceeds the maximum number of points available for interconnection.

Feedback was provided by various commentors seeking to adjust the points awarded under the built environment criteria—advocating for proposals which would make it possible for certain project attributes to be equalized, or allow for projects to exceed the waitlist threshold without achieving points available for interconnection attributes. The Agency finds that the points allocated in the Strawman Proposal appropriately balance built environment attributes and reflects the Commission's directive with respect to scoring for interconnection agreements as outlined below. Accordingly, the IPA has not modified the scoring values under the Final Project Selection Guidelines.

Another proposal put forward in comments was that the Agency should allow projects that are waitlisted to update their scores in order to advance their waitlist position. The Agency has determined that this approach is inappropriate, and does not align with the spirit of the law, which requires the IPA to award contracts on a first-come, first-serve basis. Allowing for the update of scoring would upend this process for projects submitted on the same day. Furthermore, updating already-scored projects would create complications with the use of a minimum point threshold to join the waitlist, and is therefore unworkable.

Built Environment – Agrivoltaics

Generally, the feedback from stakeholders supported the Agency's proposed definition of agrivoltaics. The IPA has determined that the definition of agrivoltaics put forth in the Strawman Proposal requires a slight modification in wording to avoid confusion and clarify that the dual-use configuration must incorporate agrivoltaics. In addition to this clarification, the Agency has created an Appendix on agrivoltaics which is attached to the Final Project Selection Guidelines, which provides additional insights and details on this scoring category.

The Agency received a significant number of comments regarding the project footprint threshold, with a majority of those commentors recommending that the IPA reduce the dual-use threshold from 75% to 50% of the project footprint. The Agency agrees that the novelty of the agrivoltaics industry, coupled with higher construction and maintenance costs for such projects, necessitate a lower footprint to encourage an uptake in participation. The Agency found especially compelling the comments regarding the flexibility required for agricultural production facilities and the need to respond to changing weather, seasons, and crop production. The Agency hopes that a reduction in the threshold footprint will reduce some of the barriers around development of agrivoltaics and provide the necessary flexibility to encourage increased participation in this emerging field. The IPA may elect to increase the footprint in the future if it is determined that the 50% threshold is easily achievable and results in a significant uptake of agrivoltaics. Future modifications to the



footprint threshold, if any, would be addressed through the Agency's Long-Term Plan development and approval process.

In the same manner, the Agency has determined that support of livestock grazing will be included in the definition of agrivoltaics projects. As several commentors noted, this will help support local farms and increase opportunities for participation in the development of agrivoltaics. As suggested in comments, the IPA will require a livestock management plan to be submitted with applications at Part I in order to demonstrate this commitment and provide the Agency and the Program Administrator with additional oversight. The Agency has decided at this time not to take any steps that would prohibit the conversion of agricultural crop land to grazing in order to participate in this manner. It is unclear to the Agency whether such restrictions are necessary at this time and how such restrictions could be enforced. Finally, the Agency has determined that beekeeping will not qualify for agrivoltaics scoring. Given the ability to relocate bees, the IPA is concerned that the opportunities for gaming the scoring rubric outweigh the benefits. Furthermore, additional points are available for pollinator-friendly siting, which would allow and support beekeeping efforts.

Finally, the Agency has determined that it would be outside of the scope of this stakeholder feedback process to prioritize projects that provide access to land to traditionally-disadvantaged individuals seeking to develop agrivoltaics. The IPA will consider the development of this criteria in the next iteration of its Long-Term Plan, and encourages stakeholders to provide feedback on this topic in the process for the development and approval of that Plan.

Built Environment – Other Criteria

The Agency received feedback encouraging the inclusion of lands contaminated with per- and polyfluoroalkyl substances ("PFAS") or "forever chemicals" as the result of the spreading of fertilizers, etc. These lands do not currently meet the definition of "contaminated lands" or brownfields; nonetheless, there was one stakeholder that supported awarding points to projects sited on farmland contaminated by PFAS to be awarded points commensurate with those for projects sited contaminated/brownfield sites. Due to the emerging nature of study surrounding PFAS contamination, the IPA finds that it is not appropriate at this time to adjust the scoring component to include this recommendation. The Agency notes that if the EPA definition of contaminated lands is updated to include PFAS contamination, those projects will be eligible for additional point awards in future years. The Agency looks forward to receiving continued feedback on this emerging topic and encourages stakeholders to provide additional feedback on its next Long-Term Plan, should updated information become available for consideration.

Finally, the Agency received feedback regarding the subtraction of points for projects within Conservation Opportunity Areas and the need for better data surrounding COAs. The Agency finds that the subtraction of points for projects located in a COA and the exceptions to the subtractions outlined in the Final Project Selection Guidelines appropriately balances competing public policy considerations across environmental conservation and equity/social justice concerns.



Additionally, the Agency has provided further clarification in the Final Guidelines with respect to mapping data around COAs, alleviating concerns about properly identifying locations of COA and R3 Area overlap.

Siting

Commentors supported the addition of providing points for projects sited in an R3 Area, which were created under the Restore, Reinvest, and Renew Program in order to address disparate economic impacts on communities located within the designated areas. The Agency agrees that the consideration of these communities is well within the spirit of the law. Given that there is significant overlap between R3 Areas and Environmental Justice Communities, the IPA has determined that it is appropriate to allow for projects sited in locations with either designation to receive 2 points during scoring. Projects sited in an area which overlaps both designations will not, however, receive points for being located in both communities; that is, the maximum number of points available for being located in an R3 Area or EJC is only 2 points.

EEC

The Agency reviewed the comments related to the Equity Eligible Contractor scoring criteria, and appreciates the thoughtful feedback. The IPA understands that several parties are concerned that the definition of "project development work" contained within the Strawman Proposal, which did not include non-construction related development activities, would make the minimum threshold unachievable. The Agency has determined that an adjustment to this definition is therefore necessary to satisfy the goals of developing market opportunities for EECs. Commentors suggested in the alternative an allowance for any contracted "development work," which the IPA considered but determined requires additional refinement. Accordingly, the IPA has expanded the definition of project development work to include *project-specific* development work, as outlined in the Final Project Selection Guidelines. More general development work, such as general sales or marketing overhead, would not be considered under the definition of "project development work" adopted for scoring. The Agency is confident that the expansion of this definition will allow for additional opportunities both for Approved Vendors to develop new partnerships with EECs and for EECs to participate in the growing clean energy economy.

Interconnection Status

The Agency received multiple comments regarding the Strawman Proposal surrounding interconnection. The Agency has reviewed each of these comments and examined whether the alternative proposals first *could* be adopted within the framework provided by the Commission in its Final Order approving the 2023 Long-Term Plan and second whether the IPA *should* adopt those alternative scoring proposals, in the event that they are viable given the Commission's Final Order.

The Agency has found that several proposals put forward with respect to interconnection scoring cannot be adopted as they violate the Commission's Order. Specifically, the Agency cannot



remove scoring for executed interconnection agreements, as the Final Order directs the IPA to include scoring for a currently valid, executed interconnection agreement within its interconnection scoring category. While the Agency understands the disparity in awarding points to "free" interconnection agreements that were obtained prior to the Commission's updating of the interconnection rules in Docket No. 20-0700, the Commission's Order requires the IPA to award points for these agreements. Accordingly, the Agency has maintained the scoring mechanism for project applications which include a valid, executed interconnection agreement.

Some commentors recommended adjusting the maximum score for recency of a valid interconnection agreement down from 1 point to .99 points, or that a variety of interconnection criteria could, in combination, result in a score from interconnection related items up to 3.99 points. The Agency finds that this approach does not align with the spirit of the Commission's Final Order, and would inappropriately the interconnection agreement such that it would outweigh other important scoring attributes. The Agency has determined that no adjustments will be made from the Strawman Proposal. The Commission did not specify a numerical point threshold for the Agency to adopt, but noted that the minimum point threshold for placement on the TCS waitlist must exceed the number of points awarded to projects that have a currently valid, executed interconnection agreement. While the Agency certainly understands that an award of hundredths or thousandths of a point less than the amount necessary to reach the waitlist may technically be permitted under the Commission's ruling, the IPA has determined that this is not within the spirit of the Order, and therefore has rejected this proposal.

The Agency likewise received comments on the proposal to award points to projects based upon queue position. Some commentors noted that it is difficult to identify or verify the queue position, or that scoring adjustments should be made as the queue position is updated. The IPA has determined that the queue position on the date that the application is submitted can be verified with the interconnecting utility, and accordingly maintains the scoring put forth in the Strawman Proposal. The scoring criteria for queue position is intended to prioritize viable projects on the date that the application is submitted. Accordingly, the Agency does not believe that it is appropriate to update the scoring as projects move through the queue. Adjusting scores while on the waitlist may create an incentive for projects with low viability to apply to the program simply to secure waitlist capacity.

Timing of Scoring

Commentors requested that the Agency provide additional insight into the timeline for scoring Traditional Community Solar applications, and some commentors proposed specific timelines under which the IPA and its Program Administrator should commit to completion of application scoring. The Agency appreciates that providing application scores is necessary for Approved Vendors, Designees, and their partners to evaluate the viability of their submitted projects. The timeline for scoring and application processing will vary based upon a number of yet-unknown factors, including the quantity and quality of applications submitted. The Agency has provided a tentative schedule for application review and scoring within the Final Guidelines which will offers



ILLINOIS POWER AGENCY

the necessary insight to the market while balancing the timeline needed for a thorough and accurate application review and scoring process.