



Proposed Approach to Community-Driven Community Solar Request for Stakeholder Feedback

October 20, 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 Illinois Power Agency Act (20 ILCS 3855, the "IPA Act"), including an overhaul of certain elements related to the Adjustable Block Program. 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 such as community-driven community solar projects) 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.

The Agency seeks stakeholder feedback on its proposed approach to implementing requirements outlined in the Act. Responses to this Request for Stakeholder Feedback should be submitted to the IPA by November 9, 2021 by emailing written responses to IPA.Solar@illinois.gov with the subject "Responder's Name - Response to Community-Driven Community Solar Feedback Request."

In general, responses will be made public and published on the websites of both the <u>Adjustable Block Program</u> and the <u>Illinois Power Agency</u>. 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.

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

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Proposed Approach

Section 1-75(c)(1)(G)(iv)(4) of the IPA specifies that for the opening of blocks for community-driven community solar projects:

for the purpose of this initial block, the agency shall accept new project applications intended to increase the diversity of areas hosting community solar projects, the business models of projects, and the size of projects, as described by the Agency in its long-term renewable resources procurement plan that is approved as of the effective date of this amendatory Act of the 102nd General Assembly."

In Section 6.3.3.1.2 of the current approved Long-Term Plan Renewable Resources Procurement Plan,¹ the Agency planned to select community solar projects intended to increase the variety of community solar locations, models, and options in Illinois by utilizing the following approach. After an initial 60-day notice before block opening, and a 60-day window for project applications, the following scoring would be used:

- Projects will first be sorted into four categories based on the development density of the townships in which they are located. [fn 365] The highest density class would get 3 points, the next class 2 points, the third class 1 point, and the lowest density class 0 points.
- Projects developed in response to a site-specific RFP issued by a municipality or community group (issued prior to the announcement of the opening of the block) would be awarded 1 point.
- O Projects that commit to only serve subscribers in the same township as the project would be awarded 1 point. If the township population is below 50,000, then subscribers could also be in adjacent townships to meet this commitment and receive this point. (REC payments will be adjusted to only account for subscriber meeting this commitment.)
- Projects under 100 kW (AC) in size would be awarded 2 points. Projects between 100 and 500 kW (AC) in size would be awarded 1 point. A project's size will be determined through including any actual or proposed co-located community solar projects in that size determination.
- Random selection will only be utilized as a tie-breaker for equally scored projects to fill available capacity, if any; however, should the capacity available be so small so as

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¹ The "plan that is approved as of the effective date" of P.A. 102-0662 was the Plan approved by the Commission through ICC Docket No. 19-0995, originally approved on February 18, 2020.





to only accommodate one or more projects below a certain size, then the Agency may only consider those projects small enough to not exceed that remaining capacity.

[FN 365: For determining the development density category, the Agency proposes to adopt the methodology proposed by ELPC/Vote Solar in their comments on the draft Revised Plan, which sorts all the townships of Illinois into four classes. See: https://www2.illinois.gov/sites/ipa/Documents/Draft%20Revised%20Plan%20-%20Summer%202019/Comments%20to%20Draft%20Revised%20Plan/ELPC_Vote%20Solar%20Plan%20Comments.pdf.

The Revised Plan further states:

In approving this proposal, the Commission determined that stakeholder feedback is a valuable tool to refine the scoring approach and best achieve the goals of increasing the variety of community solar locations, models and options in Illinois. [footnote omitted] In accordance with the Commission's directive, the IPA will issue a request for written comments on: (1) the timeline for project application to, and any potential reallocation of refunds from, community solar projects selected through scoring; (2) whether minimum scores should be required for any individual or subset of attribute(s) for all scoring pathway applicants; (3) automatic triggers to lower attribute scores; (4) qualification requirements for individual attributes (e.g., should site-specific RFPs be required to have been issued prior to the announcement of the opening of the block); (5) number of points awarded; and (6) other attributes that should be considered in order to increase the variety of community solar locations, models, and options in Illinois, such as proposals to award points to non-greenfield projects. [footnote omitted]

The Agency requested stakeholder feedback in accordance with the Plan in November 2020² and again as part of the development of the now-withdrawn Draft Second Revised Long-Term Plan in July 2021.³ Stakeholder feedback made clear that (1) project application the timelines require extension, (2) more flexibility should be allowed on the timing of issuing of site-specific RFPs, and (3) local subscriber proximity at the township level should be adjusted.

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² See:

³ See https://www2.illinois.gov/sites/ipa/Documents/Workshop3FollowUpRequestforComments.pdf and https://www2.illinois.gov/sites/ipa/renewable-resources-workshop/Pages/Responses-to-Request-for-Comments-2021-Workshop.aspx.





For this initial community-driven community solar block opening, the Agency therefore proposes the below-outlined project selection and scoring approach, which has been revised from the approach outlined in the last approved Plan based upon stakeholder feedback received in November 2020 and July 2021. The Agency proposes that this approach will be utilized on an interim basis for the initial block opening prior to the approval of the IPA's next Long-Term Plan; a more detailed project prioritization approach that addresses the specific criteria outlined in Section 1-75(c)(1)(K)(v) of the IPA Act will be contained within the next Plan and used for future blocks.

- The initial application window will be 180 days.
- All applicant projects will need to receive a minimum of 2 points under the scoring below for qualification in this category.
 - Projects will first be sorted into four categories based on the development density of the townships in which they are located. The highest density class would get 2 points, the next class 1 point, the third class 0.5 points, and the lowest density class 0 points.
 - o Projects developed in response to a site-specific RFP issued by a municipality or community group would be awarded 1 point.
 - Projects that commit to only serve local subscribers in the same county as the project would be awarded 1 point. If the county population is below 50,000, then subscribers could also be in adjacent counties to meet this commitment and receive this point. (REC payments will be adjusted to only account for subscriber meeting this commitment.)
 - o Projects under 100 kW (AC) in size would be awarded 2 points. Projects between 100 and 500 kW (AC) in size would be awarded 1 point. A project's size will be determined through including any actual or proposed co-located community solar projects in that size determination.
 - Random selection will only be utilized as a tie-breaker for equally scored projects to fill
 available capacity, if any; however, should the capacity available be so small so as to
 only accommodate one or more projects below a certain size, then the Agency may only
 consider those projects small enough to not exceed that remaining capacity.

The Agency is seeking feedback on this proposed approach and has the following specific stakeholder questions:

- 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"?
- 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?

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- 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?
- 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?
- 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?
- 6. In the now-withdrawn Draft Second Revised Plan,⁴ 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?

Next Steps

Stakeholder feedback received on the proposal 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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⁴ See: https://www2.illinois.gov/sites/ipa/Documents/DraftSecondRevisedPlan16August.pdf