

To: Jim Zolnierek, Illinois Commerce Commission
From: Theodora Okiro, Senior Policy Associate
Date: September 11, 2020
RE: Response to the Illinois Commerce Commission's Request for Comments – Notice of Inquiry Regarding Energy Affordability

This memorandum summarizes Nexamp's response to the Illinois Commerce Commission's (ICC) request for comments on opportunities to increase affordability of utility services for Low-Income households. Nexamp is a Community Solar (CS) provider that operates in various markets across the U.S, including Illinois.

1. *What distributed and community solar programs are currently available to customers that increase affordability and/or the ability of customers to receive essential levels of electric services, how effective are the programs at achieving these objectives, and what changes could make the programs more effective?*
 - a. **Nexamp ILSFA Community Solar Program:** In offering community solar (CS) to low-income customers via the Illinois Solar For All, the priority of Nexamp is to remove all barriers to accessing CS. The affordability of CS programs is critical to low-income households accessing the program. As acknowledged by the ICC, low-income households are cost-burdened and often have to choose between paying rent and their utility bills. Accordingly, it is Nexamp's intent to promote access to this affordable form of clean energy that reduces utility bills but also ensures participation in the clean energy economy. However, there are aspects of the current iteration of the program that prove financially burdensome to low-income customers. Many low-income customers participate in state funded energy assistance programs such as Low-Income Home Energy Assistance Program (LIHEAP) and Percentage of Income Payment Plan (PIPP). These programs critically improve the affordability of utility services. However, when customers on PIPP currently participate in the Nexamp's ILSFA program, they doublepay their monthly utility bill. An illustration of the double pay issue is below:
 - ❖ Low income customers participating in the PIPP program typically pays \$100 per month on budget billing plan – The budget billing is based on the previous year's consumption and is set by their respective utility.
 - ❖ Nexamp's community solar program covers about half of a typical bill, so customers could receive about \$50 worth of CS credits (aggregated net metering credits).
 - ❖ Under the IL Solar For All CS program, eligible customers pay their community solar provider \$25 for the \$50 worth of CS credits (50% savings on CS credits, per ILSFA rules).

- ❖ IF the customer still owes their utility the usual \$100 that month, despite the CS credits, then the customer double-pays -- \$100 to their utility, plus \$25 to the community solar provider, **for a total of \$125 per month.**
- ❖ But if the utility can apply the CS credits to the budget bill amount (e.g. apply \$50 against the \$100 bill), then the customer owes the utility \$50, and owes community solar provider \$25, **for a total of \$75 per month.**

For households that are already cost-burdened, the difference between paying \$125 vs. \$75 per month is enormous. Nexamp is concerned about low-income customers who may rely on Budget Billing plan but would also like access to community solar. **It is critical to find a solution that allows customers to remain on budget billing while also benefitting from community solar at less cost to them.** It will be detrimental to the IL Solar For All program if customers cannot do both budget billing and community solar due to the exorbitant cost of participating. It is important to make CS affordable and accessible to low-income households but the budget billing issue has been a roadblock for many low-income households. We hope that the ICC can develop a policy to address this persistent affordability barrier.

2. *Are there programs not currently available in Illinois, including programs adopted in other states, that could increase affordability and/or the ability of customers to receive essential levels of electric services?*
 - a. **The Norfolk Solar's Qualified Opportunity Zone Fund:** This is an innovative pathway to developing solar + storage for low-income communities in Norfolk Virginia. The Qualified Opportunity Zone (QOZ) Fund was formed to advance renewable energy generation, storage, and racial equity in low-income communities in the Hampton Roads region of Virginia. The program has also led to job creation within the community. There have been local workforce development efforts to hire and train residents of the QOZ as solar installers, which has led to the first solar installers of color working in Hampton Roads, Virginia.
 - b. **The Mass Solar Loan Program,** from the Massachusetts Clean Energy Center and Massachusetts Department of Energy Resources, offers special incentives and fosters partnerships with local banks and credit unions to increase access to financing for solar PV ownership.
 - c. The Michigan Department of Environment, Great Lakes, and Energy's **Michigan Solar Communities – Low- to Moderate-Income Access Program** uses a community solar model to enable customers to access solar, obtain weatherization services, and save on their electric bills.
 - d. Energy Trust of Oregon's **Inclusive Innovation Project** makes solar affordable and accessible for customers with lower incomes, rural customers, and communities of color.

- e. **The District of Columbia’s “Solar for All” program** is an initiative with a goal to provide 100,000 low-to-moderate income families, with the benefits of locally generated clean energy.

Respectfully submitted,

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