Equity Solar Illinois

April 18, 2025

ESI - STAKEHOLDER FEEDBACK ON EEC CERTIFICATION

INTRODUCTION

First, Equity Solar Illinois LLC ("ESI") commends the Illinois Power Agency ("IPA") for its continued efforts to ensure that the Equity Eligible Contractors ("EEC") program 1) aligns with the language and intent of the enabling legislation; and 2) benefits the state and its communities. Next, we want to acknowledge and appreciate the efforts of other stakeholders, including the Joint Solar Parties and the Joint EEC Parties, with whom we continue to work to improve the program and uplift emerging businesses.

As the IPA considers changes to the EEC program rules, we must acknowledge that there is often a large gap between those who possess the expertise and capital required to develop, finance, and operate a 5 MWac community solar garden and the population of EEPs. Take, for example, a person ("X") who is eligible for the EEC program. X decides to form an EEC and get into developing community solar. If X then shows up to a bank and asks for the ~$18,000,000 required to develop and construct a single 5 MWac community solar garden with no balance sheet, no track record, and no operational projects, X and their EEC would be quickly turned away. Even if X somehow sourced $18,000,000 elsewhere and invests it all at risk on this community solar garden, X would struggle with the immense complexity of site diligence, land acquisition, permitting, interconnection, subscription, construction, asset management, operations, and maintenance. **To put it simply, every EEC needs two major things to succeed: 1) capital; and 2) expertise.** Therefore, it is essential that any rule changes do not negatively affect the EEC's ability to access capital and expertise.

ACTIVE MANAGEMENT

As stated in the ICC's Final Order on the 2024 Long Term Plan[1], the enabling legislation does not require that EEPs have active management or control of the EEC; the requirement is for EECs to be majority-owned by EEPs. Specifically, the ICC said that the program should avoid "overly burdening EEPs". While the EEPs of ESI actively participate in the company's activities and decision-making, specific mandates such as "control" or full-time employment (especially in a new startup venture) would be overly burdensome for EEPs. We would be supportive of the solution recommended by the Joint Solar Parties to require that an EEP to be its EEC's primary point of contact for the IPA. Ultimately, each EEC should strive to ensure its EEPs are gaining knowledge and experience in a way that works best for each EEP. Overly prescriptive requirements do not allow for the flexibility that is necessary for every EEC to succeed, as noted in the ICC's decision.

PREVENTING MANIPULATION OF THE EEC CATEGORY

Rightfully, the program created a locational option for eligibility because individuals who were raised in and worked in these communities lived among geographic disinvestment and faced structural barriers to participation in clean energy. However, because individuals can qualify based on the location of their residence, with no lookback test, anyone could simply move from across the country into one of the many qualifying areas and then apply for EEC capacity. Therefore, we support a requirement for EEPs to have maintained their primary residence within an eligible location for the 5 years preceding their qualification as an EEP.

[1] ICC Final Order on 2024 Long Term Plan

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REDISTRIBUTION OF UNALLOCATED CAPACITY

Once per year, the IPA calculates the unallocated capacity across the Adjustable Block Program and redistributes that to provide waitlist positions with awards according to a “waterfall” priority list. Initially, the EEC program sat at the top of this waterfall, but it was moved to near the bottom position as part of the 2024 Long-Term Plan. ESI believes the EEC program addresses key policy goals for the state and provides immense benefits to the communities it serves, so it should be moved up in the waterfall again. Otherwise, it is highly likely that the unallocated capacity will be entirely absorbed by other programs, leaving no flexibility or ability to accommodate a burgeoning and dynamic program which is scheduled to grow to 40% of the Adjustable Block Program.

REVISIT THE CARVEOUT FOR EEC DG

Carving out the EEC DG category diverted 25% of the overall EEC capacity to that project category, but it has only generated a single application in its history. In effect, this freezes 25% of the EEC category capacity for 11 months, until this capacity is redistributed to other EEC waitlist positions. ESI believes this was likely an unintended consequence of the 2024 Long-Term Plan, and the 2026 Long-Term Plan is the right opportunity to fix it. ESI’s recommendation would be to simply remove the differentiation between EEC CS and EEC DG – these programs can be combined again.

CONCLUSION

Thank you for offering the opportunity for EECs like ESI to get involved early in providing feedback on this important program. We look forward to working with the IPA and other stakeholders including the Joint Solar Parties and Joint EEC Parties throughout the 2026 Long-Term Plan stakeholder feedback process.

Respectfully,

Marcellus H. Moore Jr., Principal

Rena E. Mason, Principal