

VIA ELECTRONIC MAIL

Illinois Power Agency

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Enhancements to Equity Eligible Contractor Certification

A. Ownership and Control by Equity Eligible Persons

- 1. In the 2026 Long-Term Plan, should the Agency propose requiring additional documentation or evidence to demonstrate that the majority-owner EEP(s) has/have active control and management of the business? If so, what types of governance documentation would be appropriate (e.g., operating agreements, bylaws)?**

Joint EEC Response: Yes, the Joint EEC Parties believe the Agency should require additional documentation to demonstrate the majority-owner EEP(s) has/have active control and management of the business. The Joint EEC Parties propose all **new** EEC registrants who are not MBE, WBE, VBE, BEP, BEPD, DBE, **or** ACDBE certified should be required to provide the following items similar to the MBE, WBE, VBE, BEP, BEPD, DBE, and ACDBE programs:

Ownership Information

- Assumed Name Certificate
- Stamped Article of Incorporation, Organization, Association, or Certificate of Limited Partnership or applicable organizing documents.
- Original and any amended Corporate By-Laws.
- Corporate/Board of Directors Meeting Minutes.
- Operating Agreement.
- Partnership Agreement.
- Certificates of Membership.
- Individual Ownership Statement – for each owner.
- Franchise Agreements.
 - Any additional documents requested such as corporate correspondence, employee hiring, and termination letters, a signed letter detailing the owner's role in the firm, or other records that demonstrate: (1) that the firm's qualifying owner(s) possess(es) the power to direct the management, policies, and objectives of the firm

and to make all substantive day-to-day decisions of the firm and manage its essential operations, and (2) that the owner(s) maintain(s) full-time participation in the management of the company's day-to-day decision and operations.

Employee Information

- Current Organization Chart.
- Most recent 4 weeks of payrolls, including all employees and management.
- If needed, separate compensation schedules for each officer, director, and/or person in senior management and any agreements detailing a different compensation arrangement in the future.
- A table or list identifying any employees who have worked in the trades in the last year, specifying which trades and the number of employees in each trade.

Facility Information

- Lease agreements (with contact information for the landlord), including a copy of the most recent lease payment.
- Proof of ownership (deed, mortgage agreement, or property tax bill).

Financial Information

- Most recent bank statement for all account(s) used by the firm.
- All bank signature card(s) and/or corporate resolutions regarding access to accounts and signatories.
- Three years of W-2 or 1099 forms for each employee who meets the specified earning threshold.
- At a minimum, three years of federal and state corporate tax returns for Applicant firm and all Affiliates or, if not applicable, three years of the most recent U.S. individual income tax returns including ALL attachments and schedules.
- At a minimum, three years of the highest level of financial statement available which has been audited, reviewed, or compiled, including a balance sheet and a statement of income prepared by an independent certified public accountant. Note: If these documents do not exist, the Applicant firm must certify this fact and provide a written explanation along with whatever financial documents are available.
- Loan Agreements from the last three years for an amount greater than or equal to \$10,000.
- Line of Credit and/or Letters of Credit.
- Documents that outline bond limits.
- Certificate of Insurance.

Licenses And Registrations

- All current business licenses, permits, and/or pending applications.
- All listed current individual licenses, permits, certificates, and/or pending applications.

Equipment Information

- Title and purchase documentation if owned.
- Lease agreements with proof of most recent payment if leased.

Inventory

- If applicable, all inventory (description, quality, value) held by Applicant firm during the last six months that was intended for sale, not internal use.
- If applicable, documentation in support of supplier and/or distributor status.

Additional Information

- Resume (Owner, Director, Officer, Manager, any Stockholder)

- a. What should the Agency consider as qualifying criteria for demonstrating 'active control and management' of a business by majority-owner Equity Eligible Persons (EEPs)? Are there specific roles, responsibilities, or decision-making authorities that should be used to define this standard?**

Joint EEC Response: The Agency should consider the following language to define the standard for 'active control and management':

“Active control and management” may be demonstrated by holding the highest position in the company, such as Chief Executive Officer or President, in addition to being responsible for managing and controlling the management, policies, major decisions and daily business operations. The Agency should consider strategic decision-making, the hiring and firing of managers, contract execution, the authorization of managers’ tasks and duties, and the power to approve financial decisions of the business as imperative responsibilities to define “active control and management.”

- 2. Should the IPA propose requiring periodic re-certification or audits to confirm that EEPs remain actively involved in business operations? If so, how frequently should these reviews occur?**

Joint EEC Response: Similar to the MBE, WBE, VBE, BEP, BEPD, DBE, and ACDBE programs, all EECs should be required to re-certify annually through an audit to provide any changes that are made in addition to confirming the information provided during initial certification is still valid. The EEC should provide a signed affidavit confirming no changes to ownership, management or control of the EEC; alternatively, continued status as an MBE, WBE, VBE, BEP, BEPD, DBE, or ACDBE may be provided to complete the annual recertification. Annual EEC recertification should not be applicable to EEC SPAVs that are affiliated with a common EEC parent company.

- 3. What alternative approaches could be used to ensure EEPs are not being used as figureheads to qualify businesses for EEC status in a way that conflicts with the equity objectives of CEJA? Please include detail related to any suggestions made in response to this question.**

Joint EEC Response: The certification process for EEPs needs to be a separate process than the certification process for EECs. EECs must be able to clearly articulate their ability to manage a business in the clean energy space through a tiered interview process with the program administrator and demonstrate a previously executed contract for construction or professional services relevant to the solar industry. Large-scale major developers should not be allowed to have ownership interest in EEC companies to obtain benefits from the EEC category. All EECs should also be required to maintain a physical office location in the state, in addition to employing personnel who are physically located and perform their primary work duties in Illinois. These items need to be verified through an auditing process by the program administrator.

B. Verifying the Socio-Economic Status of Majority-Owner EEPs

- 1. In the 2026 Long-Term Plan, should the Agency propose requiring EEP majority-owners to demonstrate their socio-economic status (e.g., income documentation) to ensure they are individuals who would most benefit from equitable investments? If so, what types of documentation would be appropriate?**

Joint EEC Response: If **new** EECs are not certified with the MBE, WBE, VBE, BEP, BEPD, DBE, or ACDBE program, then they should be required to demonstrate socioeconomic status by providing the program administrator with a copy of their tax return.

- a. What should be considered when determining proper income cut-offs for eligibility, and how might those thresholds be set to balance inclusivity with the intent of prioritizing individuals facing systemic economic barriers?**

Joint EEC Response: The income cut-off for EEC eligibility for an EEP who is seeking to **initially register** as an EEC **and who is not MBE, WBE, VBE, BEP, BEPD, DBE, or ACDBE certified**, should be no greater than 200% of the current Illinois median household income, as determined by the U.S. Census Bureau. This cut-off value will ensure that opportunities flow to the persons that the EEC category intended to benefit. Large-scale, highly capitalized contractors and developers that have no trouble obtaining work outside of the EEC category should not be allowed to take advantage of the benefits from EEC certification. There should be no income cut-off for legitimate EECs who are already MBE, WBE, VBE, BEP, BEPD, DBE, **or** ACDBE certified and who have done business in the program.

- b. What sources of verification should be utilized to authenticate socio-economic status, and what challenges might arise in collecting and assessing this information?**

Joint EEC Response: The Agency should collect tax returns from the majority owner EEP **who is not MBE, WBE, VBE, BEP, BEPD, DBE, or ACDBE certified** as a method to verify socio-economic status. Challenges with collecting other documentation to prove one's socioeconomic status can include a situation where a majority-owner EEP who is set up as a newly formed shell company EEC, is backed by a major developer, and does not have accurate or transparent income or balance sheet statements.

- 2. Are there other alternative measures that the Agency should consider to ensure the EEC certification process is fair and effective? Please include detail related to any suggestions made in response to this question.**

Joint EEC Response: Each EEP seeking EEC registration should be required to obtain (3) notarized letters of recommendation from industry stakeholders which support the certification of that particular EEP becoming an EEC. Each new EEC should also need to demonstrate a form of trade license that proves industry experience, **or** prove five years of experience in business, **or** provide a copy of a previously executed contract, **or** provide a copy of NABCEP certification.

C. Preventing Manipulation of the EEC Category

- 1. Should the Agency require EECs to demonstrate a minimum level of involvement in project development, construction, or operations to qualify for the EEC category in Illinois Shines? If so, what criteria should be used to measure involvement?**

Joint EEC Response: Yes, EEC AVs and Designees need a policy in the EEC block that connects the EEC to the installation and development of the project instead of only aggregating RECs as a service for development partners. The criteria that should be used to measure an EEC's involvement in the project is an EEC self-performance scoring system similar to the TCS category. In the Part II application, the EEC AV should be required to submit the demonstrated value of agreements and scope of project development work or project construction work that is self-performed by EEC Designees or EEC subcontractors.

- 2. Should the Agency create a scoring or prioritization system within the EEC category in Illinois Shines to reward projects where EECs serve as the primary developer or operator? If so, what factors should be included in such a system?**

Joint EEC Response: Yes, a scoring system for the EEC category would be valuable for EECs to gain additional functionality to install and develop EEC block projects. Because of the high costs required to finance and operate community solar projects, EECs value the partnerships between development and investment partners. EECs do not wish to be required to own community solar projects for the full 20-year REC contract due to the funding barriers of financing multi-million-dollar developments.

However, there needs to be a scoring system in place that keeps EEC block projects in the hands of EEC AVs and Designees to self-perform a reasonable value of work. The Joint EEC Parties proposes the following EEC self-performance scoring criteria:

- a. The EEC certified Approved Vendor can demonstrate the contractual commitments for the EEC certified Approved Vendor and or the EEC Certified Designee(s) that self-performance project work represents 75% of the project's REC contract value (Add 4 points).
- b. The EEC certified Approved Vendor can demonstrate the contractual commitments for the EEC certified Approved Vendor and or the EEC Certified Designee(s) that self-performance project work represents at least 50% of the project's REC contract value (Add 3 points).
- c. The EEC certified Approved Vendor can demonstrate the contractual commitments for the Approved Vendor or EEC certified Designee(s) that self-performance work represents at least 25% of the project's REC Contract value, **or** self-performance work represents 10% of the project's REC Contract value and the EEC AV operates in an EIEC area (Add 2 points).
- d. The EEC certified Approved Vendor can demonstrate the contractual commitments for the EEC Approved Vendor or EEC certified Designee(s) that self-performance project work represents at least 5% of the project's REC Contract value **or** the EEC AV operates in an EIEC area (Add 1 point).

3. Should the Agency implement a scoring or prioritization system within the EEC category in Illinois Shines to reward EECs that demonstrate a stronger commitment to equity (e.g., by employing a higher percentage of EEPs or operating in EIEC areas)? If so, what criteria should be used for scoring?

Joint EEC Response: Yes, the Joint EEC Parties support the Agency's suggestion to include a scoring criteria that demonstrates a stronger commitment to equity by operating the businesses in an EIEC area, or for developing a project located in an Equity Investment Eligible Community. This scoring criteria should be coupled with the EEC "self-performance" described above in question C. 2.

4. Should additional disclosure and transparency be required regarding EEC ownership structures and subcontracting arrangements?

Joint EEC Response: Yes, all EEC ownership and subcontracting arrangements should be required to be disclosed to the program administrator.

5. What additional measures could help deter sleeving or pass-through structures, where EEP ownership is nominal but non-EEC entities control operations and

enjoy most of the financial benefits?

Joint EEC Response: If the Agency, program administrator, or consumer protection team discovers certain EECs are sleeving or acting as pass-through structures, those entities should have their EEC status revoked, should have their projects withdrawn from the EEC block, should be barred from participating in the Illinois Shines Program, should face possible fines, and should be reported to the ICC.

6. What best practices should the IPA consider to ensure legitimate EEC participation without placing undue burdens on EEP majority-owners?

Joint EEC Response: It would be helpful for the Agency to provide legitimate EECs who are in full compliance with the program with a certificate and license number to prove good standing with the program. Additionally, there is a need for a rule that enforces commitment to EECs in the TCS category for projects scored with EEC points. This rule should require developers to identify or pre-select EECs to work with prior to submitting projects into the block. If the developer wishes to substitute the original EEC for a new EEC, then there needs to be a process where the IPA meets with the original EEC and the developer for approval.

D. Other Enhancements to the EEC Certification Process

1. Are there other changes or enhancements to the EEC certification process that the Agency should consider? Please provide specific recommendations.

Joint EEC Response: Beginning in the 2026-2027 program year, all existing EECs should be required to complete all EEC re-certification steps that are approved during 2026 Long-Term Plan process. All new and existing EECs, regardless of means for qualification, should be required to re-certify annually through an auditing process. The EEC should provide a signed affidavit confirming no changes to ownership, management or control of the EEC; alternatively, continued status as an MBE, WBE, VBE, BEP, BEPD, DBE, or ACDBE may be provided to complete the annual recertification.

2. Are there any best practices from other industries or programs that could serve as a model for strengthening the EEC certification process?

Joint EEC Response: The Agency should draw from well-established programs such as the state's MBE, WBE, VBE, BEP, BEPD, DBE, and ACDBE program to mitigate against the risk of those trying to game the EEC category. The Agency must demonstrate a commitment to enforce EEC certification parameters in support of **contractors** with (1) social disadvantages; (2) economic disadvantages; and (3) ownership and control of the business.

EXHIBIT A

Exhibit A

Enhancements to Equity Eligible Contractor Certification

The Joint EEC Parties write to inform the Agency and the broader EEC community about worrying trends that threaten the EEC Category. Certain non-EEC developers are taking advantage of EECs and the EEC category. The Agency must implement protective measures around EEC certification to ensure that Equity Eligible Contractors can fully access opportunities in the clean energy economy and that the legislative intent of the Climate and Equitable Jobs Act—to deliver meaningful benefits to these contractors—is realized.

A. Ownership and Control by Equity Eligible Persons

The Joint EEC Parties are being negatively impacted by developers who are creating “shell” EEC companies. These developers are taking advantage of the program by moving to Equity Investment Eligible Communities or by onboarding inauthentic majority EEP owners simply to gain access to EEC status. As a result, the capacity in the EEC Category is being exhausted more rapidly, and projects are being installed by these large-scale, highly capitalized firms that have no trouble obtaining work outside of the EEC category. This is taking opportunities away from legitimate EECs who need assistance from the EEC category to maintain steady business practice. Non-EEC developers who have historically participated in other categories different from the EEC category, and who have experienced proven success in these categories, should not be able to certify themselves as an EEC. In addition to the Agency administering annual audits and requiring the majority-owner EEP to prove active control and management of the business by providing a copy of a company operating agreement or providing a copy of company by-laws, the Joint EEC Parties believe the Agency should take stronger due diligence measures when reviewing EEC initial certification and re-certification applications. The Joint EEC Parties support requiring EECs to re-certify annually through an audit with the program administrator prior to the start of each program year to confirm that the information provided during initial EEC certification is still valid.

During the EEC certification and re-certification processes, the Agency should review program records to evaluate the number of REC awards that the developer has obtained in other categories and conduct a tiered interview process with the majority-owner EEP that is seeking EEC certification to ensure authenticity prior to approving status as an EEC. These interviews should seek answers to questions about previous experience in the solar industry, previous experience working with low-income communities, and previous experience working in the trades to confirm qualified individuals are intending to participate in the EEC category for the right reasons. As an additional prerequisite to EEC certification, the Agency should solicit any affiliations to larger parent companies located outside the state of Illinois. All bona fide EEC firms doing business in the Illinois solar space should have company headquarters located in Illinois and should have previous legitimate experience as contractors or professional service firms who can manage a business. Large-scale major developers should not be allowed to have ownership interest in EEC companies to obtain benefits from

the EEC category. Other programs in the state of Illinois, such as the MBE program, require the contractor seeking certification to submit proof of a previously executed contract. The Joint EEC Parties advise the Agency to require this same practice.

The Joint EEC Parties agree that requiring the majority-owner EEP to provide information through audits, company operating agreements, and company bylaws is a positive suggestion to show active control and management in theory, but no formal or informal restrictions of any kind exist in these agreements which limit the customary discretion necessary to prove actual business control by the qualifying individual. Therefore, collecting a paper trail of these ownership documents does not serve as enough evidence for legitimacy and qualification. The Joint EEC Parties trust the Agency's judgment and would like to see the Agency possess power to admit or deny new EEC applicants based on merit through tiered interviews in addition to substantiated documentation. The EEC category is meant for newly emerging contractors who have historically been excluded from the clean energy sector because of structural inequities. The Agency is allowing certain entities to certify as EECs who have not faced these barriers. As a result, the EEC category is becoming saturated with fraudulent behavior, and the equity goals that the Agency is supposed to advance are regressing.

B. Verifying the Socio-Economic Status of Majority-Owner EEPs

The Joint EEC Parties understand the Agency's intention behind proposing a protective socio-economic status demonstration requirement in the 2024 Long-Term Plan for EECs to prove capital disadvantage and prevent well-capitalized companies from exploiting loopholes in the program searching to acquire unnecessary benefits of the EEC category. The Joint EEC Parties do support the Agency in this endeavor. However, implementing a blanket socio-economic requirement on all EECs in the program is counterproductive to the program's purpose, and will severely affect authentic EECs who have already proven their value to the program. The Joint EEC Parties propose that EECs **who are MBE, WBE, VBE, BEP, BEPD, DBE, or ACDBE program certified** should be **exempt** from providing proof of socio-economic status. These certifications already serve as ample evidence to prove (1) social disadvantage; (2) economic disadvantage, and (3) ownership and control of the business.

The EEC category is meant to provide equitable investments to combat discrimination by assisting emerging **minority** and **disadvantaged** businesses to build working capital to compete in the industry. Still, a vast financial imbalance remains between minority businesses, disadvantaged businesses, and highly capitalized asset owners who currently own and operate projects for the full 20-year REC delivery contract. In the 2024 Long-Term Plan, the Agency and Commission acknowledged that requiring EECs to own projects for 6 years following the Part II Verification date would have made financing impossible. The Agency and Commission understand that legitimate EECs need to partner with experienced developers and investors for project financing, mentorship, and for opportunities to establish successful businesses. The Agency and Commission did not wish to prohibit this economic growth for EECs in the 2024 Long-Term Plan, so the Joint EEC Parties request that the

Agency remains consistent with their intention to prevent the debasement of existing, legitimate EEC firms. Without backing from the EEC category, minority and disadvantaged businesses face a critical disadvantage from doing business with long-term asset owners through co-development, construction, and tax equity financing for multi-million-dollar projects.

There is a more constructive method to prevent gamesmanship than enforcing a blanket socio-economic status demonstration requirement for all EECs. The socioeconomic demonstration requirement for EEC eligibility should only apply for an EEP who is seeking to **initially** register as an EEC and **who is not MBE, WBE, VBE, BEP, BEPD, DBE, or ACDBE certified.** Existing, legitimate, EECs, especially those who are MBE, WBE, VBE, BEP, BEPD, DBE, or ACDBE certified, should not have their EEP status removed on account of an income requirement when it costs more for EECs to do business in the solar industry. Additionally, the Joint EEC Parties suggest that if a certain EEC qualifies based on residency, the majority owner EEP should provide proof of living in an Equity Investment Eligible Community for at least **five years out of the previous ten years.** By requiring EECs to prove five-year residency **who are not MBE, WBE, VBE, BEP, BEPD, DBE, or ACDBE certified,** this will not negatively affect or penalize those existing EECs who have already demonstrated their worth to the spirit of the program. If a majority-owner EEP candidate has lived in an economically disadvantaged community for at least five out of the previous ten years before major neighborhood transformations and gentrification, the Agency should realize that the local resident majority-owner EEP candidate has experienced the hardships and risks that come along with living in an economically disadvantaged community for a legitimized period of time. Additionally, to prevent a decrease in EEP participation for the project workforce, the Joint EEC Parties recommend that the Agency separates EEC registration from EEP registration. Namely, EEPs should not be required to live in an Equity Investment Eligible Community for five years to have their labor count towards the Minimum Equity Standard requirement. Providing proof of residency for five years and going through a tiered interview process with the program administrator should only apply to EEC certification.

C. Preventing Manipulation of the EEC Category

EEC Scoring:

The Joint EEC Parties appreciate the Agency adopting the rule to require EEC AVs to beneficially serve as the owner of the REC Contract for six years following the Part II Verification date, ensuring EEC AVs are involved with each EEC block project. However, the Joint EEC Parties call for the Agency to take this 6-year rule a few steps further. Previously mentioned, it is unrealistic for EEC AVs to serve as long-term owners and operators of EEC block projects for the entirety of the 20-year REC Contract. Due to high costs of maintaining and financing community solar projects, EECs value the partnerships between developers and investors to ensure that EECs have rights to monetize project asset revenue streams like our non-EEC competitors. Nevertheless, there is a need for the EEC Block to encompass a metric that binds the EEC AV to self-perform a reasonable portion of

the project development work and a reasonable portion of the installation work. EECs do not wish to be required to own the project for the full 20-year contract, but it is imperative for the Agency to implement strategies for EECs to maintain more meaningful participation on EEC block projects. Most EECs in the program only serve as an AV for EEC block projects, not by choice, but because of competitive market limitations. Non-EEC and non-union firms get hired to install these EEC Block projects for a lower price which drastically reduces the workforce development potential for EECs in the program. Additionally, EECs are unable to self-source the millions of dollars required to develop and construct large-scale projects on our own without the EEC category providing an incentive for developers and asset owners to form partnerships with us. To keep EEC block projects in the hands of EEC firms, and to encourage labor growth alongside development opportunity, the Joint EEC Parties propose the following two options for the program's utilization of EEC block scoring:

Suggestion A:

- **a. The EEC certified Approved Vendor can demonstrate the contractual commitments for the EEC certified Approved Vendor and or the EEC Certified Designee(s) that self-performance project work represents 75% of the project's REC contract value (Add 4 points).**
- **b. The EEC certified Approved Vendor can demonstrate the contractual commitments for the EEC certified Approved Vendor and or the EEC Certified Designee(s) that self-performance project work represents at least 50% of the project's REC contract value (Add 3 points).**
- **c. The EEC certified Approved Vendor can demonstrate the contractual commitments for the Approved Vendor or EEC certified Designee(s) that self-performance work represents at least 25% of the project's REC Contract value, or self-performance work represents 10% of the project's REC Contract value and the EEC AV operates in an EIEC area (Add 2 points).**
- **d. The EEC certified Approved Vendor can demonstrate the contractual commitments for the EEC Approved Vendor or EEC certified Designee(s) that self-performance project work represents at least 5% of the project's REC Contract value or the EEC AV operates in an EIEC area (Add 1 point).**

"Self-performance" is defined as market-rate cost of in-house EEC company project development that takes place before the submittal of the Part 1 application, i.e., engineering, interconnection, shading studies, production estimates, PVsyst capacity factor estimates, REC estimates, negotiating site control agreements, applying for land use permits, and creating plot diagrams and site maps for all systems. This definition also includes project operations that are executed after Part 1 submission but before Part 2 submission, i.e.,

construction of the system, construction management, commissioning, professional services, inspection, certificate of completion, fulfilling community solar subscriptions. EEC AV services should not count towards the self-performance EEC spend. Suggestion A is similar to the TCS Block EEC scoring criteria. However, this EEC Block “self-performance” metric should solely be centered on scoring criteria related to EEC self-performance and increasing equity. It should not include criteria like agrivoltaics, pollinators-friendly habitats, and having a top interconnection queue position. The Joint EEC Parties support the Agency’s suggestion to include other scoring categories such as demonstrating a stronger commitment to equity for the EEC AV operating a business in an EIEC, and obtaining a higher score for developing a project located in an Equity Investment Eligible Community.

The goal of EEC Block scoring mechanism Suggestion A is to incentivize EECs to work together to install, develop, and complete our own EEC Block projects. If implemented, newly emerging EECs will benefit from opportunities to learn from existing EECs in the ABP regarding project installation, project development, and project services. There should be no minimum number of points for an EEC CS project to solidify a position on a waitlist. However, if projects score a higher amount of “self- perform” points, then these projects should advance in the queue, be subject to priority review from the program administrator, and should be prioritized for a REC award. While a blanket rule for all EEC CS Block projects to be installed or substantially developed by EEC firms is favored, the result may not be viable for smaller newly emerging EEC firms. In order for the EEC category to increase job opportunities for its own participants, the Joint EEC Parties prompt the Agency to explore an EEC block scoring percentage low-enough that is suitable for the majority of EECs in the program. We believe suggestion A is representative of such.

EEC Participation in Utility Scale Projects:

On page 43 of the Agency’s 2024 Fiscal Year Annual Report, the Agency introduced a topic to further equity on utility scale projects:

“To promote equity in utility-scale renewable energy projects, the IPA has implemented an equity bid adjustment process to incentivize developers to exceed the Minimum Equity Standard by providing bid evaluation advantages to projects with higher commitments to employing EEPs and contracting with EECs. This mechanism integrates equity considerations into the bid evaluation process by offering a price adjustment to proposals that demonstrate higher utilization of EECs and a significant portion of contract value flowing to EECs. In addition to requiring that at least 10% of the project workforce in utility-scale solar, wind, and brownfield site photovoltaic projects consists of EEPs or EECs—gradually increasing to 30% by 2030—the equity bid adjustment provides a competitive advantage to projects exceeding these minimums. However, participation in this adjustment process has been limited, and the IPA has not yet seen bidders formally use this preference in Indexed REC procurement events. To encourage broader adoption, the Agency is reviewing the bid adjustment’s effectiveness and exploring refinements that may enhance its impact in future procurements” ([Illinois Power Agency Annual Report Fiscal Year 2024](#)).

The Joint EEC Parties appreciate the Agency's support in recognizing the difficulty for EECs to get involved with utility scale projects. The Joint EEC Parties would like to work with the Agency to learn more about the refinements that the Agency is considering for enhancement to this equity bid adjustment in the self-direct program. Section 1-75(c)(1)(Q)(2) of the Illinois Power Agency Act requires union project labor agreements for utility scale solar projects. While union labor is highly valued and preferred by the Joint EEC Parties due to our historical backgrounds of working in the trades, there are barriers that exist for smaller EECs to be included in on utility scale projects and for emerging EEPs to enter certain union apprenticeship programs. The Joint EEC Parties would be willing to coordinate with the Agency to explore solutions to these barriers for EEP entry into union apprenticeship programs, and help the Agency meet its Minimum Equity Standard 30% target by 2030.

D. Other Enhancements to the EEC Certification Process

Attributable to permissive guardrails around EEC registration, more illegitimate EECs are submitting projects into the EEC block resulting in a backlog of the category. The EEC Group A CS block's waitlist is almost as long as the TCS Group A waitlist. For the first time in program history, the EEC Group B CS block now has a waitlist. Even though there is an ongoing available capacity issue in the EEC CS subcategory, according to the draft 2025-26 Program Year Program Guidebook released by the Agency on March 17th, 2025, the EEC CS subcategory is still placed as the 6th position of uncontracted capacity coming from the Public Schools category. Above all, the Agency proposed a 15.9% decrease to the EEC CS Group B block for projects > 2000 – 5000 kW AC in the 2025-2026 Program Year, decreasing the delta between third-party out of state PJM REC contracts and Illinois Traditional Community Solar ABP contracts. As a result of these factors, the EEC category is losing its competitive advantage to incentivize participation and formation of partnerships between developers – EECs – and long-term owner operators. Developers and long-term owner operators are pausing agreements with EECs because the additional costs that are associated with utilizing an EEC on projects is not offset by program benefits such as higher EEC REC pricing or ample EEC block capacity. Most EECs in the market already face barriers to capital and relationships with developers and investors, a rationale supported by the Agency. As a group, we need the Agency's help to maintain our participation in the market by carrying out the following EEC category improvements:

- Adding guardrails to EEC certification and re-certification:
 - ❖ Requiring socio-economic demonstration for EEPs seeking to **initially** register as EECs **who are not MBE, WBE, VBE, BEP, BEPD, DBE, or ACDBE certified.**
 - ❖ Requiring annual EEC re-certification through an auditing process.
 - ❖ Requiring EECs seeking to register via residency to provide proof of living in an EIEC for at least five years **who are not MBE, WBE, VBE, BEP, BEPD, DBE, or ACDBE certified.**

- ❖ Requiring all EECs to maintain a physical office location in Illinois, in addition to employing personnel who are physically located and perform their primary work duties in Illinois.
- ❖ Requiring tiered interviews with EEC entities to make sure they are legitimate.
- ❖ Requiring new EECs to provide a copy of a previous contract.
- Implementing a self-performance scoring criteria rubric for the EEC block.
- Increasing the EEC REC price to be higher than TCS and regular DG.
- Placing the EEC CS subcategory as the first allocation of uncontracted capacity.

The Joint EEC Parties appreciate the Agency taking the time to listen to our concerns. We look forward to your response.

Respectfully Submitted,

The Joint EEC Signatories:

ADL Solutions LLC

ARF Solar LLC

BlackRock Construction

Black Tech Solutions Corp.

LiveWire Electrical Systems, Inc.

Millennium Solar Electric

Sesenergi Eco Solutions Enterprise LLC

Staylitt Electric LLC

UpSouth Energy, LLC

Windfree Wind and Solar Energy Design Company

548 Energy Solutions