

**Equity Solar Illinois – Feedback re:
LTP Chapter 10 (Diversity, Equity, and Inclusion)**

Dear IPA,

Equity Solar Illinois (“ESI”) respectfully submits this feedback regarding the IPA’s May 19, 2025, request for stakeholder feedback ahead of the IPA’s next Long-Term Plan (“LTP”). As an active developer of community solar and distributed generation projects under the Illinois Shines program, we based these comments on our experience under the program to date.

ESI would like to note upfront that this IPA request for LTP feedback is happening in a very different policy and market context than was present twelve or even six months ago. The solar development and installation industry is now facing multiple headwinds at the federal level that will directly impact project applications submitted under the next LTP – including volatile trade tariffs, a potential ITC phaseout, and ongoing supply chain disruptions. We respectfully ask the IPA to consciously keep this context in mind when evaluating any proposals that would impose even more burden on participants and projects in the EEC category. We speak more to this issue in our separate feedback re: Chapter 7.

Topic 1. Barriers to Advance of Capital Use

Although ESI does not have answers to all the questions raised, it is our understanding that to date no EEC Approved Vendor (“AV”) has succeeded in accessing the Advance of Capital (“AOC”) mechanism. We believe the IPA could greatly de-risk and streamline the process by making capital advances only available for a given project’s REC Contract deposit and the Interconnection Agreement deposit – two of the most challenging and bulky expenses to finance. Further, the utility is the party paying the REC incentive, and the utility is the party receiving REC deposits and Interconnection Agreement deposits. Therefore, the funds from an AOC granted to EECs would go directly to the utility on behalf of the project. This way, the deposit would be held by the regulated utility and can only be used to advance the project, reducing the potential risk of loss for the program.

Topic 2. Review Project Workforce Definition

No comment at this time.

Topic 3. Minimum Equity Standard Compliance

No comment at this time.

Topic 4. Energy Workforce Equity Portal Usage

No comment at this time.

Topic 5. Minimum Equity Standard Data Collection and Reporting

No comment at this time.

Topic 6. MES Compliance, Participation of EEPs and Equity Eligible Contractors

No comment at this time.

Topic 7. Enhancements to the EEC Certification Process

As stated in the ICC's Final Order on the 2024 Long Term Plan, 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" – bringing focus to the need to enable participants to participate in good faith and move their projects forward quickly.

To repeat a point we've made before, developing an EEC CS project from site selection to commercial operation is a challenging feat – given the need to marshal resources to achieve site selection and control, title clearance, project engineering, land-use permitting, utility interconnection, equipment procurement, construction, project finance, subscriber contracting, operations and maintenance, etc. The EEC AVs that have registered to develop these projects thus already face a steep climb to initial project completion and initial revenue. The difficulty of developing EEC CS projects is shown in the category's Part II metrics. So far, over 140 EEC category projects have been awarded a REC contracts for their Part I Application. But according to the Project Application Report dated 06/06/2025, none of those projects has yet submitted a Part II Application or achieved Part II verification.

So it's too early to tell whether the EEC project category will be successful, and the vast majority of these projects would be subject to these emerging challenges at the federal level. For example, the House-passed reconciliation bill includes a requirement to start construction within 60 days of the bill's passage, which could deny many if not most of these EEC projects access to the baseline 30% Federal ITC, which would collapse the projects' economic feasibility. It is thus more important than ever to avoid "overly burdening" category participants by piling on more cost, complexity, and timeline through new administrative red tape.

For this reason, while ESI's EEP owners do actively participate in the company's activities and decision-making, we believe that any new LTP mandates such as "control" or full-time employment (especially in a new startup venture), which are not contemplated by the statute, would be overly burdensome. Such requirements would also vastly increase the risk of EEPs as

owners of an AV (e.g., by making the EEP owners directly responsible to project financiers for achieving project milestones, or forcing them to quit their day job as a condition of becoming a partial owner, etc.). The unintended consequence would be increased barriers for EEP owners to participate in the category and make it even harder for EEC projects to reach Part II verification.

All that said, ESI would be supportive of the IPA's proposal to require each EEP owner to complete an attestation of active involvement in the business during the initial qualification process and the annual renewal. Ultimately, each EEC AV should strive to ensure its EEPs are gaining knowledge and experience in a way that works best for each EEP owner, without overly prescriptive requirements as to what role the EEP owner or owners must play.

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. We therefore 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.

Other relevant feedback re: Chapter 10

For the next LTP the IPA should also consider:

1. **Restoring the EEC category to the top of the uncontracted capacity waterfall**, as it was under the first LTP (before it was moved to near the bottom position in the 2024 LTP). Among all the categories listed in Section 1-75(c)(1)(K), the EEC category has the highest capacity allocation goal of 40% that the IPA is meant to achieve "over time" based on factors including "capacity used in this [category] in previous delivery years." Placing the EEC category higher in the waterfall would thus allow more capacity to be used by EEC projects in the delivery year (rather than rolling those projects over to the next year's waitlist), enabling the category to ramp up to the 40% capacity allocation over time as required by Section 1-75(c)(1)(K)(vi).
2. **Removing the capacity holdback** for the EEC Distributed Generation (DG) subcategory. This 25% holdback of the overall EEC category's annual capacity was seemingly intended to give EEC AVs more time (after the June 1 start of the program year) to prepare and submit their DG applications. But it has not led to a meaningful increase in the number of EEC DG applications. In practice, the main impact of the holdback has been to freeze a quarter of the EEC capacity for nearly a year, stalling deployment and access. This appears to be an unintended consequence of the 2024 Long-Term Plan. The 2026 Long-Term Plan provides the right opportunity to address this by removing or reducing the capacity holdback for EEC DG projects. These categories should be recombined to unlock unused capacity and restore access to the program.

Thank you for your consideration in this matter.