



“[TdM Emerald Corp] – Chapter 7 LTP Feedback”

Stakeholder Feedback Request for the 2026 IPA Long-Term Plan
Chapter 7: Illinois Shines

TOPIC 1: Defining Small and Emerging Business - For Possible Use in Advance of Capital, Collateral Refunds, and Minimum Batch Submission Size

Questions

1. Should Illinois Shines adopt the same definition of “small and emerging business” as Illinois Solar for All? If not, please provide details on an alternative definition.

- i. **ANSWER: Yes, with the caveat that the program should establish mechanisms for continued feedback on future adjustments as needed by small and emerging businesses. This can provide a clear and transparent standard for all stakeholders involved, as well as prevent gaming. The Small Business Administration’s definition is familiar to large and small businesses. It can provide a starting point. However, it is not infallible, and can be subject to gaming or abuse. Illinois Shines can add key criteria to ensure CEJA equity goals advance, such as percentage of local ownership, pre-development capital sources, full disclosure of all direct and indirect owners, revenue sharing agreements, power of attorney, and other mechanisms tied to known patterns in Illinois Shines sub-programs. An additional mechanism to consider would be to require firms to account for their REC plans. Small to mid-sized businesses should be eligible for selling RECs to the programs, or to the private or public sector just like other developers. If there are any requirements or prioritization created for program REC sales by EECs and Small and Emerging Businesses, then IPA and IL Shines need to rigorously ensure there is pre-development capital made available to these firms so they can make those decisions free of larger influences. Our recommendation is not to tell the market what to decide, simply to level the playing field for these smaller players to make empowered decisions with empowered and equitable access to capital akin to their peers. Small and Emerging businesses will make decisions in their best interest, per industry standards, if the industry provides them an equitable opportunity to do so. If these types of standards are considered, they cannot be levied without robust rounds of EEC and MWDBE feedback first to shape them, as well as determine relevance. If IPA and IL Shines are going to incorporate new standards, then there need to be**

proportional mechanisms to insulate EECs and MWDBEs, as well as disqualify firms found to be acting in bad faith by gaming these mechanisms. Otherwise administrators will just further entrench incumbents and market consolidation while directly and indirectly channeling smaller firms towards these extractive patterns by structural necessity. REC clawbacks, and other financial penalties can in part go to fund Small and Emerging Businesses through new channels based upon stakeholder feedback.

2. What are potential benefits of reducing the initial batch submission size from 100 kW to 25 kW for small and emerging businesses to enhance processing? If this change is not ideal, is there an alternative initial batch submission size that is more appropriate? Please provide additional support to your proposal.

i. *ANSWER: This could be beneficial, but perhaps start with a few caveats. For example, if there are exceptions, they are limited to how many times a new entrant can use them before graduating to an escalation, e.g. 25kW (1-3x), then 50kW requirement (1-3x), then the 100kW requirement goes into effect. To account for increased workloads for administrative staff, there may be a way to allow similar stage vendors to group their submissions for meet the 100kW threshold. These avenues could also be tied to geographic diversity, or local ownership, and other means to further CEJA equitable participation goals, while still ensuring technical viability. If you pursue these paths, pair them with localized technical assistance to allow these mechanisms to be on-ramps rather than dependencies for new players. Be sure to get granular feedback from these types of vendors so their needs inform the solutions.*

3. What factors should the Agency consider in weighing whether to allow for the refund of collateral for a first batch to small and emerging businesses? What additional criteria beyond qualifying as a small and emerging business could the Agency apply?

i. *ANSWER: Assess their local independence, the above identified factors (e.g. power of attorney, direct and indirect ownership, etc). Assess their historical access to capital, and whether firms meet other equity requirements, e.g. ownership by foster care alumni, MWDBEs, returning citizens, etc. There need to be other risk management mechanisms in place to prevent gaming, or flooding the market with firms that are unable to deliver due to the complexities of project development. Prioritize firms that meet the spirit and letter of CEJA, and that are independent. Elicit further EEC, MWDBE, and Small and Emerging Businesses feedback using a "if not for" standard. For example, "if not for" a means to get a collateral refund, these businesses would not be able to develop*

their first portfolio, or secure capital, or retain independence vs resigning to be a pass through for access to capital. In addition, under special circumstances, based upon stakeholder feedback, consider a graduated approach to be available as well. There should be program administrative technical assistance available as well, and a strong standard of community benefits rather than solely compliance optics. This can be transformative, but should be held for authentic firms, and allow for multiple rounds of feedback from the firms that would seek to participate to shape the final mechanism. There need to be transparent mechanisms for exceptions if firms need these avenues more than once, for example if they sell their first portfolio at a loss or minimal profit, tariffs, graduation to owner-operations, what they need to hit repeatable payroll or repeat portfolios, etc. The goal of this is to enable local authentic participation without sacrificing technical capabilities or local benefits.

TOPIC 2: Community-Driven Community Solar (CDSCS) Developer Cap

Questions

1. Given the information above, and assuming the Group A and Group B block sizes will remain fairly consistent with the 2024 Long-Term Plan, what are the advantages and risks of establishing a developer cap process for CDCS consistent with the other categories?

ANSWER: Establish a consistent developer cap process for CDCS, otherwise it may facilitate bad faith practices such as fronting, pass-throughs, and other patterns that do not align with CEJA mandates. It also reduces administrative burden, and allows for the above participation for Small and Emerging Businesses. This is not to suggest all projects in this category are in bad faith, but given documented patterns by previous reviews and LTPs, this category warrants special consideration.

2. If a developer cap process for CDCS is appropriate, should the threshold be set at 20% or is there an alternative percentage that should be considered? Please provide any reasoning to support a different percentage level, if possible.

ANSWER: Start with 20% for simplicity and consistency, but given that bad faith practices may have consolidated in these programs, ensure that audits are set for good faith participation by current entities, e.g. program compliance, no complaints, no pass-throughs, regulatory and program compliance adherence, and ability to get projects energized, not just to Notice to Proceed or up to Permission

to Operate. This addresses market concentration, redresses any issues, and furthers CEJA mandates for Small and Emerging Businesses as ILLUME found in their 2023-2024 review that concentration can come at the expense of program equity. This also reduces delivery risks. If a small number of developers consolidate on a program, it can lead to dynamics of too many eggs in one basket, which further threaten CEJA goals. Be sure to incorporate lessons from previous questions around Small and Emerging Business participation to prevent further gaming workarounds.

TOPIC 4: ICC Memo Withhold and Editing Issues & Related Possible Solutions

Questions

1. What would be the effect and/or benefits of once again requiring an executed interconnection agreement in the Part I application for community solar projects? Please provide details to support your response.
 - i. *ANSWER: This will further demonstrate project readiness and program efficiency. However, if this standard becomes a necessity again, instead of just comparative points in scoring, IPA must ensure there are proportionate resources to ensure Small and Emerging Businesses can meet these requirements. This is about access to capital for smaller players, as much as it is about technical capacity. In addition, requiring larger players to have executed interconnection agreements will be met by initial frustration but can help reduce pipeline speculation and just hone in on viable projects.*
2. What other requirements should the IPA consider in order to ensure that community solar projects are sufficiently mature when submitted to the Program such that the projects are ready to be submitted to the ICC upon Part I application verification?
 - i. *ANSWER: Their compliance and contingency plans (construction, NTP sales, materials, etc) given the federal variables, and market shifts since the end of 2024. Our industry is resilient and robust, and will continue to move forward. Providing a mechanism for project viability given these larger dynamics is valid, and must not be administratively burdensome. Elicit further iterative stakeholder feedback before any decisions are made, or standards are set. Especially now, we need viable projects at Part I, and insulated pathways to ensure it is not only the most resourced parties that get to Part I and Part II.*

TOPIC 5: Support for Abandoned Contracts

Questions

1. Is there value to the Agency developing solutions to manage this issue given this challenge is primarily between an Approved Vendor and their customers? Please explain.
 - i. **ANSWER: Yes, but this will require a lot of stakeholder iterative feedback to meet market realities. We are currently seeing a rise in abandoned and stalled projects across all program types (community solar, utility scale, dg, batteries, etc). IPA can help with messaging, access to resources (funding and technical support for keeping projects alive, etc). IPA also needs to realize abandoned contracts now accounts for the full gamut of project development.**
2. What type of relief should be offered to Approved Vendors that face a situation of an abandoned contract?
 - i. **ANSWER: This should be a on a case by case basis, measured against their needs. Some firms will need bridge financing, introductions to intermediary resources, or validation if they take over a contract for a smooth transition. The firm's category (e.g. established national player vs EEC) as well as their compliance and record (e.g. absence of complaints for misconduct) should be taken into consideration as well.**
3. What are preventative solutions to this issue that the IPA could implement?
 - i. **ANSWER: The IPA has to work with IFA and other related parties to get capital flowing to keep projects alive, Small and Emerging participation, and to create new thresholds for funding, rather than pre-development or at NTP, but in response to these middle states, otherwise we will see more of the floor fall out.**
4. Are there other examples/events that should be considered an “abandoned contract”?
 - i. **ANSWER: Yes, everything that is or will be subject to federal shifts in the market, and this warrants further stakeholder iterative discussion.**

TOPIC 8: Advance of Capital – Barriers and Lack of Use

Questions

1. Do the current criteria for reviewing Advance of Capital requests appropriately identify contractors that truly need capital? Why or why not?
 - i. *No, the current criteria do not consistently identify contractors with genuine capital needs. The process has been vulnerable to gaming by larger, well-capitalized firms that can meet documentation requirements but do not face real barriers to market entry. Meanwhile, authentic small and emerging businesses—especially minority-owned and community-rooted firms—often lack the capacity to navigate complex application and verification processes or to provide the type of collateral or financial documentation requested. This misalignment was highlighted in the ILLUME evaluation and is evident in the sharp decline in AoC requests after the criteria were tightened.*
2. What challenges do small and emerging businesses face when applying for an Advance of Capital through the IL Shines program?
 - i. *It is too complex, and can add a potential unintentional risk of being seen as risky or limited to the disadvantaged business category which undermines recognition of actual market merit. So the firms that need it, cannot get it in volume to match needs.*
3. What improvements to the Advance of Capital process would make it more accessible to small or emerging businesses?
 - i. *Add technical assistance, avenues for businesses to access other, smaller and graduated amounts contingent upon pre-development milestones that can be subject to returning the funding if the goal to get to NTP or PTO is not met, and ensure that the funds are not going to fronting firms, or pass-throughs. This scrutiny cannot be burdensome on new players, but instead should be equally if not more held against larger players that game the system given the inherent power dynamics.*
4. Are there other factors beyond the process of the application and the criteria for review that may be limiting the application rates for Advance of Capital?
 - i. *EECs cannot, in volume, get to the stage where they would qualify due to larger issues in the market that preclude them. These challenges are well documented, e.g. fronting or pass-throughs, being perceived as risky for initial capital despite clearing a higher threshold in pre-development markers, or trust issues that compound in the market. As smaller firms encounter structural challenges, their momentum to participate in these programs reduces. As such the volume of firms that apply does not match the volume of firms that could apply under equitable market participation.*



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5. Do you believe the current Advance of Capital cap (lesser of \$750,000 or 50% of REC contract value) helps or hinders equitable access to project development opportunities? Why?
 - i. *The current structure is a good first step, but it is time to refine it to meet market realities. It is a crucial tool but we need to hone it to meet the larger and well documented access and attrition issues around it. Speak further with EECs and Small and Emerging Businesses to iterate upon a tiered approach. This cannot wait until 2026 given federal pressures, otherwise we will see more attrition that undermines CEJA goals.*
6. Should the Agency rethink the structure of the Advance of Capital mechanism to allow for different tiers of funding to be allocated for the diverse needs of a business, dependent on the life cycle of the contractor's development?
 - a. If so, what factors should the Agency consider in determining Advance of Capital tiers?
 - i. *Market experience, maturity, operational independence, letters of support vs documented compliance or conduct issues, track record (e.g. team capacity vs balance sheet), local benefits, and a tiered means to access these resources as developers mature. A developer that is 3 years into their journey that is a Small and Emerging Business should not suddenly be ineligible, however, as they mature they should have appropriate (stakeholder driven) documentation requirements. If a firm already has access to a larger balance sheet, or through the strength of their board has documented access to sizeable capital (subject to stakeholder feedback, e.g. if a firm has credible or documented access to \$50M via their boards), then that firm should not compete with a 5 person team that is also an EEC with less access. The actual thresholds will require nuance and precision, and warrant further iterative discussion from stakeholders. These comments are starting points not final recommendations.*

TOPIC 9: Federal Policy/Tariffs

1. *Federal trade policy hits everyone, and one of the consequences is that the investment and capital markets have greatly changed, especially for access to pre-development capital for Small and Emerging Businesses, MWDBEs, and EECs. IPA and IL Shines needs to conduct further research on the scale of attrition and paralyzed firms that are stuck in a now vulnerable middle class. This cannot be stressed enough, if they do not pivot to meet these needs, the industry will see an attrition of these types of firms that is not measured but is felt in myriad ways for years. This is immediately urgent. The scale of the normalized*



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rescission of resources and paternalistic, and racially charged dynamics underlying these issues, and how they play out on a day to day level cannot be overstated. Experienced developers can discern where there is bad faith, and where there is the market appropriately pausing to assess risk. For Small and Emerging Businesses that do not have a larger context, they will internalize these bad faith patterns, lose faith in the programs, and it will be hard to track the extent of these losses. These are not solely moral imperatives but material ones. Every party that has experiences that align with the spirit and letter of CEJA reinforce the positive intent, and the inverse is true. Development gets harder and easier based upon these dynamics, especially in a time of heightened skepticism and scrutiny. IPA et al, must proactively continue to assess these qualitative externalities as well.