

# Stakeholder Feedback Request – Eligibility Criteria for Equity Eligible Contractors and the Equity Eligible Contractor Category

Prepared for the IPA



**Stakeholder Feedback Request:**

We are Surya Powered a community solar developer in Illinois and an Equity Eligible Contractor with the ILABP. We are responding to a stakeholder feedback request by the IPA pertaining to the Equity Eligible Contractor program. We would like to outline some of the challenges that we face as Equity Eligible Contractors and community solar developers. Historically community solar projects have been financed via combination of bank loans, sponsor equity, and tax equity. The challenge is that developers need to get to a certain scale to enter and navigate the complexities of the tax equity markets. The ability for advancement up to 50% SREC value upfront provides an opportunity to acquire sponsor equity and pay for other project costs, but this upfront advancement will reduce the cash flows of the project and in turn the amount developers are able to borrow from a bank. Transferability will help developers access the tax equity markets but developers still need a strong balance sheet to indemnify the tax equity investor for any potential recaptures.

Considering these challenges, we are requesting that the IPA take our comments into consideration when updating the Equity Eligible Contractor program.

Best Regards,  
Tej Patel

