

Minimum Equity Standards Frequently Asked Questions

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Resources on the MES and EAS

- [Equity Accountability System Website](#)
- [Guide to the Equity Accountability System & Illinois Shines](#)
- [MES FAQs April 2023](#)

Frequently Asked Questions

A. General

1. What is the Minimum Equity Standard?

Section 1-75(c-10) of the Illinois Power Agency Act (“IPA Act”) requires that the Illinois Power Agency (“IPA” or “Agency”) establish an Equity Accountability System, which includes a Minimum Equity Standard (“MES”) for the project workforce of entities applying for renewable energy credit (REC) contracts under the IPA’s Indexed REC procurements and Illinois Shines program. The MES requires a certain percentage of an Approved Vendor or Designee’s workforce to be Equity Eligible Persons. The purpose of the MES is to ensure increasing access to employment in the Illinois clean energy sector for those who historically have been excluded from such opportunities.

2. When does compliance with the MES start?

The Equity Accountability System will take effect in the first delivery year after the approval of the IPA’s 2022 Long-Term Renewable Resources Procurement Plan, which is the 2023-2024 delivery year beginning June 1, 2023. The 2023-2024 delivery year minimum equity standard is 10%. By **June 1, 2023**, existing Approved Vendors and Designees must file an annual Minimum Equity Standard Compliance Plan. Approved Vendors and Designees must submit a year-end report within 45 days of the end of the 2023-2024 program year (i.e., by July 15, 2024) that includes data on its performance compared to the Compliance Plan.

¹ This document continues to be updated as the Agency receives further questions. This document includes all previous FAQs that have been published regarding the MES. The last edition of this document was published on May 25, 2023.

3. Will MES compliance plans be posted publicly?

Individual plans will not be posted publicly. The Agency will release aggregated data from end of year MES reports tracking achievement of the MES across the market, but will not identify any individual entities. Compliance plans and MES reports will not be made public as a matter of course, however they may be subject to the Illinois [Freedom of Information Act \(FOIA\)](#). The Agency will provide confidential treatment to MES Compliance Plans in accordance with the provisions of Section 2.F of the [Program Guidebook](#).

4. What is the review process for the Minimum Equity Standard Compliance Plans? Will Approved Vendors be able to correct or alter Compliance Plans after they are reviewed?

The Compliance Plan Assessment is described in Section 10.1.1.5 of the August 2022 version of the [Program Guidebook](#). The Agency will utilize a graduated rating system to evaluate Compliance Plans. A rating of 1 (Needs Development), indicates that the entity must review, correct, and/or include missing compliance items in order for the plan to be approved. This rating indicates that the Agency identified inconsistencies in the plan, putting the applicant at risk of non-compliance, and that the plan will not be accepted without updates or inclusion of requirements that need resolution or are missing.

As stated in the 2022 Long-Term Renewable Resources Procurement Plan, Compliance Plans that receive a rating of 1 will be rejected and the AV or Designee will be sent a recommended corrective action plan. If the Agency discovers an area of the Compliance Plan that needs to be amended or requires correction, the Agency will notify the applicant in writing of the required correction(s). The applicant will then have thirty days from the date of the notification to submit amendments to the Compliance Plan. Applicants may request deadline extensions that will be granted by the Agency on a case-by-case basis. After resubmittal of a corrected Compliance Plan, the Agency will notify the applicant in writing of the final re-evaluation status. The Agency will have a maximum of twenty-one days to notify the program participant of final acceptance of the Compliance Plan. The Agency will accept multiple revisions of a proposed Compliance Plan.

5. What is the expected timeline of MES compliance plan review?

The Program Administrator will notify the applicant in writing of the score for their Compliance Plan within fourteen days of submission, though the initial review of the first MES Compliance plans may exceed this timeline. If corrections or amendments to the Compliance Plans are required, the applicant will have thirty days to submit amendments. Applicants may request extensions to that window that will be granted by the Agency on a case-by-case basis. After resubmittal of a corrected Compliance Plan, the Program Administrator will notify the applicant in writing of the final re-evaluation status. The Program Administrator will notify the program participant of final acceptance of the Compliance Plan within 21 days. The Agency will accept multiple revisions of a proposed

Compliance Plan. The Agency and Program Administrator will strive to meet the timelines listed above, but extensions may be necessary during periods of high volumes of Compliance Plan submissions.

6. What happens if an entity does not submit a compliance plan?

An AV or Designee that fails to submit a Compliance Plan by June 1, 2023, will receive communication from the Program Administrator explaining how to cure this violation. Entities that fail to cure or entirely fail to submit a Compliance Plan will be subject to disciplinary action, which may include suspension from the program.

7. When is the year-end report due for acting in accordance with a previously submitted Minimum Equity Standard Compliance Plan?

Each Approved Vendor, Designee, or Competitive Procurement Supplier must submit a year-end report within 45 days after the end of the delivery year in which they have had active participation through activities developing a project or projects. If the deadline falls on a weekend or holiday, the year-end report will be due on the following business day. Therefore, MES compliance reports for the 2023-2024 program year will be due on would be due on or by July 15, 2024.

8. Is there a public list of EEC-certified Approved Vendors and Designees?

Yes, the Program Administrator has published a list of [EEC certified Approved Vendors](#) and [EEC certified Designees](#) that have consented to sharing contact information on the Program website.

9. How is the data collected for Equity Eligible Persons and Equity Eligible Contractor qualification protected?

The IPA can assure applicants that all personally identifiable information and other sensitive, confidential information shared with the Agency for the purpose of meeting the MES will be appropriately and securely handled. For more information on confidentiality of information in the Program please see Section 2.F of the [Program Guidebook](#).

10. Where can I find the MES Compliance Plan submission form? Is there a template that I can review prior to submission?

The MES Compliance Plan Template, which is available to submit as a Microsoft Form, is available at: <https://illinoisabp.com/equity-accountability-system/>

11. Will the Compliance Plan scoring impact project scoring for REC allocation in the case of Traditional Community Solar projects?

MES requirements are separate from the scoring for project selection for Traditional Community Scoring.

12. Where can previous Equity Accountability System webinar recordings and resources from October and November 2022 be found?

These prior Equity Accountability System webinars and resources can be found at: <https://illinoisabp.com/equity-accountability-system/>. Those that wish to report to the Program Administrator that they viewed the webinar may complete the following form: <https://forms.office.com/r/DYNDnScyG5>.

13. What is the direct contact information for the IPA program for questions and follow up?

Please contact the Program Administrator at admin@illinoisabp.com and phone: (877) 783-1820.

14. Do job postings require specific verbiage indicating a company's participation in the Program?

There is no required verbiage that entities must use on job postings. However, entities are encouraged to utilize the Energy Workforce Equity Portal to foster involvement with EEPs.

15. Is there a minimum score required to achieve a Minimum Equity Standard waiver?

The threshold to qualify for the waiver is a score of 20 points or above.

B. Identifying EEPs

1. What is an Equity Investment Eligible Community (EIEC), and is there a list that can be provided?

Equity investment eligible communities are geographic areas throughout Illinois which would most benefit from equitable investments by the State designed to combat discrimination. The eligible communities are: (1) R3 Areas as established pursuant to Section 10-40 of the Cannabis Regulation Tax Act, where residents have historically been excluded from economic opportunities, including opportunities in the energy sector; and (2) Environmental justice communities, as defined by the Illinois Power Agency pursuant to the

Illinois Power Agency Act, where residents have historically been subject to disproportionate burdens of pollution, including pollution from the energy sector.

A map of EIECs can be found here:

<https://energyequity.illinois.gov/resources/equity-investment-eligible-community-map.html>.

2. How often is the EIEC map updated?

The Illinois Solar for All Program Administrator, Elevate Energy, is currently updating the map of Environmental Justice communities used in Solar for All, which is one of the bases for the Equity Investment Eligible Community map. The updated EJ communities map will incorporate data from the 2020 census and updated EJSCREEN data. For more details on the methodology used to create the EJ communities map, please see Section 8.12 of the [2022 Long-Term Plan](#). The Agency will seek stakeholder feedback on the frequency of updates to the EIEC map in the summer of 2023 through the development of the next Long-Term Plan, which will be published for public comment on August 15, 2023. The Agency encourages all interested parties to provide input on potential schedules for updating the EIEC map.

3. Is there a list of zip codes that qualify as equity-eligible communities?

No, the equity-eligible communities' boundaries do not precisely align with zip code boundaries, as they are based upon other data. Employers are highly encouraged to ask employees to certify through the [Energy Workforce Equity Portal](#) to make the process simpler.

4. What happens if an EEP, who qualifies under the residency requirement, moves to a different address that does not qualify? Is there a certain amount of time that the EEP must live at the qualifying location?

An entity reporting on the makeup of its project workforce must be able to demonstrate that an EEP qualified based upon residency resided in the qualifying location prior the completion of the project. This can be demonstrated by the date displayed on the supporting documents (such as a driver's license or other identification, utility bill, lease agreement, etc.) or through registration by the EEP on the [Energy Workforce Equity Portal](#). The Agency highly recommends that employers request their employees that qualify on residency to register through the Energy Workforce Equity Portal. The Agency will require an individual who qualifies as an EEP based upon residency to recertify within the portal every three years.

5. Given that several portions of Southern Illinois are economically disadvantaged, are contractors based in such areas eligible to be an Equity Eligible Contractor, or are persons residing there eligible to be Equity Eligible Persons?

Persons residing in an equity investment eligible community qualify as Equity Eligible Persons. The equity investment eligible community map can be used to help assist in determining whether a person qualifies based upon residency.

<https://energyequity.illinois.gov/resources/equity-investment-eligible-community-map.html>

Approved Vendors and Designees that are majority owned by an Equity Eligible Person may qualify as an Equity Eligible Contractor. For more information on qualification as an EEC, please visit: <https://illinoisabp.com/become-an-equity-eligible-contractor/>

6. Under how will the IPA evaluate EEC applications and individuals seeking to be identified as an EEP based on status as formerly incarcerated?

In reviewing EEC applications, the Program Administrator will request documentation verifying the relevant individual's previous incarceration. Clarifications are on the Program website's Become an Equity Eligible Contractor page. Specifically, "Formerly Incarcerated" means any individual who (i) was sentenced to a term of imprisonment, not including juvenile detention, after the disposition of one or more misdemeanor or felony charges; and (ii) has completed their sentence. Determinations will be made on a case-by-case basis. For EEP-individuals who qualify based upon their status as a formerly incarcerated person, the Agency strongly encourages employers to ask all of their employees to register with the Energy Workforce Equity Portal if they have concerns about asking individual employees for sensitive information regarding formerly incarcerated status.

7. To determine if a subcontractor or employee is an Equity Eligible Person on the basis of being formerly incarcerated, is there a time limit as to how long ago the person was incarcerated?

There is no time limit on how long ago the incarceration occurred. At this time, the IPA is requesting an attestation from the individual that they indeed were incarcerated following conviction. An attestation form can be found at: <https://illinoisabp.com/become-an-equity-eligible-contractor/>.

8. For persons who are graduates of or currently enrolled in the foster care system, must they have been in foster care in Illinois to qualify?

There is no requirement that the person who is an enrollee or graduate of the foster care system was a part of the system within the State of Illinois. For the purpose of eligibility to be an EEP, a "graduate or enrollee" of the foster care system refers to an individual who is currently or was formerly a youth in care of the IL Department of Children and Family Services, or the equivalent agency in another state.

9. Does being a foster parent satisfy one of the categories to qualify as an

Equity Eligible Person/Equity Eligible Contractor?

No. Only individuals who are enrolled or have graduated from the foster care system qualify as EEPs and use that status to qualify their business as an EEC.

10. Do all EEPs need to be registered on the Energy Workforce Equity Portal?

EEPs are highly encouraged to seek certification through the [Energy Workforce Equity Portal](#). Illinois law requires that the Program verify the status of every EEP, so submitting entities (AVs, Designees, or utility-scale developers) will need to provide those verifications with their MES year-end report, even if the EEPs did not seek certification through the Portal.

EEPs are able to certify through the Energy Workforce Equity Portal without having to reveal sensitive information to employers. If an EEP does not have access to the internet or is otherwise unable to register themselves in the Portal, they can contact the Program Administrator or their employer for assistance.

11. Will confirmation of EEP's designation be confirmed by the IPA? What if the employee has chosen not to certify as an EEP?

Employers should encourage employees to register on the Energy Workforce Equity Portal, which allows employees to certify as equity eligible without disclosing sensitive information directly to their employer. Confirmation of EEP designation through participation in foster care or former incarceration may be demonstrated through completion of the attestation, either through the Portal or directly with the employer.

12. How should AVs and Designees approach the collection of sensitive information from employees?

The Agency strongly encourages employers to utilize the [Energy Workforce Equity Portal](#) to confirm whether their employees qualify as EEPs. The IPA is unable to advise AVs and Designees as to the best method of identifying such individuals within their workforce.

13. Does an AV or Designee need to gather data from employees of subcontractors for qualification as EEPs?

Although all employees in the project workforce, including employees of subcontractors, count toward the MES, the IPA does not require that an AV take any specific step to identify EEPs, nor does it advise AVs regarding the best approach for their business.

14. Is there data to populate the Energy Workforce Equity Portal at this time?

Populating the database will require individuals voluntarily adding their personal or professional information. There is no comprehensive listing of all Equity Eligible Persons in the state, so the Agency is working with the Illinois Department of Commerce and Economic Opportunity (DCEO), other state agencies, and community organizations to conduct outreach to educate individuals and communities about the Portal and assist EEPs in certifying their status as an EEP. The Agency is working to make sure as many people as possible have access to this database.

15. Because FEJA trainees or graduates from specific programs qualify as EEPs, will there be outreach to those programs to have these graduates be included in the database?

In order to reach as many potentially qualified EEPs as possible, the IPA and the Program Administrator are providing outreach to specific programs. The IPA is working with DCEO to obtain additional training program information and will provide that information when it is available. Please note only the Solar Training Pipeline and the Multicultural Jobs Programs created and funded by FEJA qualify individuals as an EEP due to the requirements of CEJA (P.A. 102-0662). Please see the Program website's Equity Eligible Contractor page for further details: <https://illinoisabp.com/become-an-equity-eligible-contractor/>.

C. Identifying the Project Workforce

1. Can EEPs be hired at any time during the Program Year?

EEPs can be hired at any time during the Program Year.

If there is any reason to believe that an entity is utilizing suspicious hiring practices, such as hiring EEPs for a limited amount of time solely in order to meet the MES, hiring an EEP but not assigning them any hours, or otherwise observed to be attempting to subvert Program requirements, those cases will be promptly reviewed by the Agency and the Program Administrator.

2. Who is within the scope of the project workforce for the Minimum Equity Standard?

Section 1-10 of the IPA Act does not provide a definition for "project workforce," however, the IPA has developed a definition that reflects the context and language in the IPA Act Sections 1-75(c-10), (c-15), (c-20), and (c-25) as well as previously IPA-published guidance regarding required workforce reporting. For the purposes of the MES, "project workforce" includes: employees, contractors and their employees, and subcontractors and their employees, whose job duties are directly required by or substantially related to the development, construction, and operation of a project that is participating in or intended to participate in the IPA-administered programs and procurements under Section 1-75(c) of

the IPA Act. This shall include both project installation workforce and workforce in administrative, sales, marketing, and technical roles where those workers' duties are performed in Illinois.

3. If a company has employees that live and work outside of Illinois, do those employees count towards the project workforce?

Employees that do not live in Illinois and do not work in Illinois are not considered part of the project workforce. Only workers whose duties are performed in Illinois are included in the IPA's "project workforce" definition. Employees who perform duties in Illinois that are related to developing projects or educating consumers about program options should be included in the project workforce.

4. What does the 10% equity commitment apply to?

The 10% equity commitment is based on the total number of employees. For example, if an AV has 100 employees working in Illinois on projects participating in Illinois Shines, that AV must have at least 10 Equity Eligible Persons employed to meet the 10% MES. This includes both project installation workforce and workforce in administrative, sales, marketing and technical roles where those workers' duties are performed in Illinois.

5. What if my company's project workforce is small enough that 10% of the whole workforce is 0? How should an AV or Designee with less than 10 employees comply with the Minimum Equity Standard of 10%?

If an AV or Designee's project workforce for a given Program Year is less than 10 people, they should aim to employ one Equity Eligible Person and provide a Compliance Plan that outlines how they will strive to recruit an EEP in the event that they hire during that year. They may also apply for a waiver. Please reach out to the Program Administrator if there are questions with compliance and support/guidance can be provided.

6. Do the MES requirements apply only to construction work?

The MES requirements are **not** limited to construction. Per Section 10.1.1. of the Long-Term Renewable Resources Procurement Plan, project workforce includes "employees, contractors and their employees, and subcontractors and their employees, whose job duties are ... in administrative, sales, marketing, and technical roles where those workers' duties are performed in Illinois."

If an AV has projects participating in the Program (see clarification below), any employees performing duties in Illinois substantially related to those projects must count toward meeting the MES for that Program Year, even if construction will not occur that year. The MES applies to any work conducted in a given delivery year on

projects that are participating in IPA programs.

7. Do temporary or part-time workers count towards the MES? What about employees that only work a limited number of hours?

Yes, temporary and/or part-time employees or subcontractors performing work on the project and getting paid for that work count towards the MES. The MES applies to number of individuals, not number of hours worked.

8. What if an entity only works on siting and permitting work, then sells the project pre-construction?

Pre-construction work, including siting and permitting, is included in the definition of project workforce and therefore counts toward the MES.

9. What does “duties performed in Illinois” mean in terms of a project workforce location?

The Agency understands the primary policy objective of Section 1-75(c-10) of the IPA Act as advancing equity across Illinois by providing access to the Illinois clean energy economy for businesses and workers from Illinois communities that have been historically excluded.

Therefore, the relevant location is where the work is being performed, for both installation workers and those doing support and business services, as that is the location of the economic opportunity. Only workers whose duties are performed in Illinois are included in the IPA’s “project workforce” definition. Employees who perform duties in Illinois that are related to developing projects or educating consumers about program options should be included in the project workforce.

While the IPA understands that project labor crews and locations vary, applicants do not need to include office workers who live and work outside of Illinois in their project workforce. Such an outcome would not serve the purpose the MES, which is intended to increase access to clean energy jobs for Illinois workers.

10. Who is outside the scope of the project workforce for the Minimum Equity Standard?

The definition of “project workforce” does not include functions performed outside of Illinois. For example, there are many national companies that participate in IPA programs and procurements and the Agency does not believe it would be consistent with the goals of the MES to allow persons working in another state to count toward complying with a standard designed to measure the equity of the Illinois clean energy sector.

Employees That Do and Do Not Count Toward the MES

Example of Worker	Should they be counted toward the project workforce for the MES?
Designees/Nested Designees	No, Approved Vendors do not need to include the workforce of their Designees in their MES but shall report which Designees they worked with in the delivery year to allow the Agency to correlate activities and compliance
Temporary or Part-Time Workers	Yes
Subcontractors	Yes
Pre-Construction Work	Yes
Admin Work	Yes
One-Time Subcontractors (surveyors, consultants, etc.)	Yes
Employees who do not perform work duties in Illinois (including any of the above)	No

11. The Long-Term Plan definition of “project workforce” includes “contractors and their employees, and subcontractors and their employees,” but also that Designees are subject to the MES. Do we need to report on our contractor/Designees’ workforce(s)?

Please see the Long-Term Plan on pg. 330: Approved Vendors in the Adjustable Block Program do not need to report on data regarding their Designees but shall report which Designees they worked with in the delivery year to allow the Agency to correlate activities and compliance. This is not meant to relieve Approved Vendors of responsibility to comply with the Equity Accountability Standard, but rather to ensure that efforts are not double-counted.

If the contractor/subcontractor is itself a Designee, then the AV does not need to include those workers in their project workforce because that Designee will be submitting its own data on their project workforce. All the AV needs to do is indicate which Designees it is working with, for our own tracking purposes to make sure that Designee reports data for that project. Likewise, “nested” Designees should report on their own workforce.

If the AV’s subcontractors are not Designees, then they are included in the AV’s project workforce and the AV must report all of the demographic data associated with those workers.

To further clarify, if either an AV or Designee uses contractors or subcontractors that are not themselves a registered Designee, and therefore do not need to submit their own Compliance Plan, those workers should be included in the employing AV/Designee's project workforce for that Compliance Plan.

D. Entities Subject to MES Requirements

16. Are all AVs required to meet the Minimum Equity Standards?

Yes, all Approved Vendors and Designees, with the exception of those who are EEC-certified, are required to comply with the Minimum Equity Standards.

17. Does the Equity Accountability System apply to Designees, or are requirements limited to Approved Vendors?

The Equity Accountability System applies to Designees. The IPA's 2022 Long-Term Plan provides that Approved Vendors do not need to include the workforce of their Designees in their MES but shall report which Designees they worked with in the delivery year to allow the Agency to correlate activities and compliance. This is not meant to relieve Approved Vendors of responsibility to comply with the Equity Accountability Standard, but rather to ensure that efforts are not double-counted.

If the contractor/subcontractor is itself a Designee, then the AV does not need to include those workers in the AV's project workforce because that Designee will be submitting its own data on their project workforce. The AV simply needs to indicate which Designees it is working with to make sure that Designee reports data for that project.

If the AV's subcontractors are not Designees, then the employees of those subcontractors are included in the AV's project workforce and count toward the MES. If an AV or Designee uses contractors or subcontractors that are not also Designees, the AV or Designee must include the workers of those contractors or subcontractors in calculating its MES and reporting, since those contractors or subcontractors will not report on the MES independently.

18. How does the Minimum Equity Standard apply to Nested Designees within the Program?

Nested Designees, as registered Designees within the Program, will need to comply with the Minimum Equity Standard and submit a Compliance Plan and subsequently report on their achievement of the MES.

19. What if an AV does not know officially which Designees it intends to use that delivery year?

The MES Compliance Plan is a plan for the year ahead. The Agency understands that circumstances may require adjustments to that plan, but it should show the intention for the year.

20. For the purpose of the Minimum Equity Standard, must an AV work directly with Equity Eligible Contractors, or can the AV's general contractor work and contract with them?

To meet the MES, AVs do not necessarily have to work with Equity Eligible Contractors; the requirement is that their workforce must meet the MES for a given Program Year, and that can be achieved without Equity Eligible Contractors. However, the project workforce is defined to include all non-Designee contractors, subcontractors, and the employees of subcontractors. A non-Designee general contractor is included in the MES calculations, and all subcontracted workers are included in the project workforce. The AV does not need to hire the entirety of the workforce, but must ensure compliance with the MES.

21. If an Approved Vendor or Designee is already qualified as an Equity Eligible Contractor, do they have to comply with the Equity Accountability System?

Approved Vendors who are Equity Eligible Contractors (EECs) are, by virtue of their participation in the Program as an EEC, in full compliance with the Equity Accountability System and thus do not need to submit a Compliance Plan. However, EECs will need to report on the demographic and geographic data of their employees, just as other AVs do.

22. Can EEC Approved Vendors use non-Equity Eligible Contractor Designees?

Utilization of the capacity in the EEC category is limited to Approved Vendors who qualify as an EEC. EEC Approved Vendors may choose to work with Designees or on their own, and those Designees may or may not be also EEC certified. However, Approved Vendors that do not qualify as an EEC but partner with a Designee that does qualify as an EEC are ineligible to participate in the EEC category. These Approved Vendors must submit their projects to another Program category. Utilization of EEC certified Designees can have an effect on Traditional Community Solar scoring. Please see more information in the Traditional Community Solar Project Selection Final Guidelines or the Program Guidebook.

23. Will Approved Vendors be reporting on, and responsible for, all Designee compliance, or will Designees submit their compliance separately?

Approved Vendors are only required to include their direct employees and employees of non-Designee subcontractors in the project workforce identified in their Compliance Plan and year-end MES Report. Designees must submit their own Compliance Plan and MES Report encompassing the Designee's project workforce. IPA will include a field in the

Compliance Plan form where AVs and Designees may indicate whether they are working with another AV or Designee on any of the projects in the relevant program year.

E. Scope of Participation in Program or Procurement

1. What will happen to an AV's applications if their Designee is non-compliant with the MES requirements?

An AV is not responsible for submitting a Designee's MES Compliance Plan, but a non-compliant Designee could affect the progress of a project in a number of ways.

If a project has yet to be Part II verified, it could result in the project not moving forward until the Designee has come into compliance with MES requirements, or the AV has ceased working with the Designee that is out of compliance.

If a Designee is out of compliance after the project has been Part II verified and construction has been completed, and the Designee is not involved in ongoing management of the system, the project will still be able to participate in the Program. If the Designee is still involved with the project after Part II verification (for example, a Designee responsible for subscriber management of a community solar project), the project is at risk until the Designee is in compliance or the AV ceases working with that Designee.

If a Designee continues to demonstrate non-compliance, the AV may be required to present a Designee Management Plan to the Program Administrator and IPA, as outlined in Section X.B.1 of the Consumer Protections Handbook. Continued non-compliance could result in disciplinary action and affect project status.

2. How does the IPA calculate whether a program participant has met the Minimum Equity Standard? Do only Equity Eligible Persons count towards the project workforce calculation? Can the MES requirements be met through engaging an Equity Eligible Contractor to account for the required proportion of Equity Eligible Persons in the project workforce?

There are two determinations necessary for calculating whether an entity has met the MES: the size of the relevant project workforce (the denominator), and the number of Equity Eligible Persons employed in that workforce (the numerator). The project workforce is defined by the Agency as: employees, contractors and their employees, and subcontractors and their employees, whose job duties are directly required by or substantially related to the development, construction, and operation of a project that is participating in or intended to participate in the IPA-administered programs and procurements under Section 1-75(c) of the IPA Act. This shall include both project installation workforce and workforce in administrative, sales, marketing, and technical roles where those workers' duties are performed in Illinois."

Once the number of individuals within the project workforce has been established,

an entity can calculate the portion of its workforce which must be comprised of equity eligible persons or contractors in order to meet the Minimum Equity Standard. For the 2023-2024 program year, the required percentage is 10% of the overall project workforce; that percentage will increase over time to 30% by 2030, with an already-planned increase to 12% in 2024-25. An AV or Designee may not meet the MES solely through contracting with an EEC that makes up at least 10% of the overall project workforce. Instead, the AV or Designee must include the employees of that EEC in the denominator (described above) of the calculation. The Agency will count Equity Eligible Persons employed by an EEC-certified contractor or subcontractor, including the Equity Eligible Person majority owner, 1.5 times in calculating compliance with the MES. In this way, an AV or Designee will more easily meet the MES if they contract with an EEC, but that alone will not be enough. Additionally, the IPA has determined that an Approved Vendor that subcontracts with an EEC on a project and yet is unable to meet the MES will receive additional points towards a request to seek an MES waiver for the project.

3. What if an entity does not think they'll be able to reach the 10% MES goal due to having too few employees?

Entities that do not think they'll be able to achieve the 10% MES goal should submit a waiver request outlining the size of their current and future workforce and plans for recruiting. Program participants are not required to replace qualified current employees who are not EEPs in order to meet the MES. If an employee leaves or the entity finds themselves in a position to hire more employees, they should have a plan in place to do so in an equitable manner.

4. If a company hires an EEC to perform work on a project, but the actual employee of that EEC that does the work is not an EEP, does the company still count the EEP majority owner in the project workforce at 1.5x for compliance purposes?

Yes, the company will still count the EEP majority owner in the project workforce.

5. How will per-project waiver requests work when the compliance plan is on a portfolio basis?

Compliance with the MES is viewed across the totality of an entity's Illinois project workforce, both in terms of planning and reporting. The Program Administrator and the Agency will consider any waiver granted in determining whether an entity has met the MES requirements.

6. How does the Minimum Equity Standard change over time?

To achieve the MES for the 2023-2024 delivery year, at least 10% of the project workforce for each entity participating in an IPA Indexed REC procurement or the

Illinois Shines program must be equity eligible persons or equity eligible contractors. The Agency stated its intention to increase the MES to 12% for the 2024-2025 delivery year in its 2022 Long-Term Plan.

In its draft 2024 Long-Term Renewable Energy Resources Procurement Plan, which will be submitted to the Illinois Commerce Commission for approval in the fall of 2023, the Agency will propose future increases of the MES over subsequent delivery years to eventually reach the 30% statutory requirement by 2030. The proposed schedule of annual increases shall be revisited and updated on an annual basis. Revisions shall be developed with stakeholder input, including from equity eligible persons, equity eligible contractors, clean energy industry representatives, and community-based organizations that work with such persons and contractors.

7. How does the Minimum Equity Standard threshold change between program years? Can you confirm the importance of a “delivery year” designation?

Program participants must submit an annual report on how it achieved the MES for the activities in the last program year within 45 days following the end of the program year. For projects where work spans several program years, participants should report on the work conducted in the previous year. For example, the employees that performed administrative work on a project submitted for Part I in the June 1, 2023-May 31, 2024 program year, assuming those employees did their work in Illinois, would be included in the project workforce for that program year. If the project installation for this same project did not occur until the subsequent program year, then the installation workforce would be included toward meeting the MES of that program year in which the project was installed.

The Compliance Plan requirement and Minimum Equity Standard will apply to work that has happened in that delivery year. As a reminder, the project workforce can include office workers if they are performing their duties in Illinois. If your project participated in the Program (e.g., you submitted a Part I application), if you have staff whose duties on the project are performed in Illinois, even if construction is not beginning that year, the Minimum Equity Standard would apply to this workforce. The Minimum Equity Standard applies to work conducted in a given delivery year on projects that are participating in IPA programs.

8. What if an entity will not participate in an IPA program or procurement that program year?

If an Approved Vendor or Designee (or utility-scale supplier) has no activity during a program year, that may be indicated on the year-end report and compliance obligations will not apply.

9. What does the 10% equity commitment consist of?

The 10% equity commitment is based on the total number of employees. For example, if an AV has 100 employees working on projects participating in Illinois Shines, that AV must have at least 10 Equity Eligible Persons employed to meet the 10% MES (Minimum Equity Standards). This includes both project installation workforce and workforce in administrative, sales, marketing and technical roles where those workers' duties are performed in Illinois.