



Stakeholder Feedback Request – Proposed Advance of Capital Evaluation Criteria

October 31, 2023

Background

A feature of the Equity Accountability System, as established by the Climate and Equitable Jobs Act, is the ability of Equity Eligible Contractors (EECs) to request an advance of a portion of REC Contract value prior to the associated project’s energization. This capital advancement pre-energization is intended to serve EEC-certified businesses exhibiting true need and to support a more diverse Approved Vendor pool.

The IPA has developed the rubric detailed below as criteria for evaluating requests for an advance of capital for projects receiving a REC contract in the EEC Category for the 2022-23 and 2023-24 Program Years. **Please provide comments via email attachment to IPA.EnergyEquity@illinois.gov with the subject “[Responder’s Name] – Stakeholder Feedback on Advance of Capital Authorization Rubric” by November 14, 2023.**

Note: The Agency has filed the 2024 Long-Term Renewable Resources Procurement Plan with the Illinois Commerce Commission and thus is **not** seeking any input on the advance of capital process contemplated within that Plan. Stakeholders seeking to provide input on Plan content may do so through the intervening in the open docket (Docket 23-0714). Please limit all comments in response to this request for feedback to the criteria listed below as applied to the 2022-23 and 2023-24 Program Years.

Rational for Pause

On September 15, 2023, the Agency temporarily paused both the submission and the review of advance of capital requests in order to build out a more robust approach to the review and approval of those requests. The IPA had envisioned that successful requests would serve smaller firms with limited project portfolios working to grow emerging businesses: e.g., firms facing genuine “barriers in access to capital” capable of demonstrating “need.” But in opening the Equity Eligible Contractor category, the IPA has instead received 36 advance of capital requests totaling approximately \$75 million, including from a) companies partially owned and primarily managed by large national solar companies featuring thousands of megawatts in their project pipelines, and b) companies having already successfully developed numerous projects under other Illinois Shines categories or under the Illinois Solar for All Program (thus demonstrating their ability to successfully develop projects without capital advancement, calling “need” into question). For the full rationale for the pause, please view the announcement [here](#).

In the interest of prudent stewardship of State administered funding, collected from Illinois ratepayers, the Agency has worked to refine and strengthen the process and criteria for requesting advanced capital



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under the Equity Eligible Contractor category of Illinois Shines within the framework outlined in the 2022 Long-Term Renewable Energy Resources Procurement Plan. Approved Vendors with pending requests for advanced capital will be able to resubmit those requests in conformance with the final request process and criteria.

Request for Feedback on Proposed Criteria

In light of these challenges, the IPA has outlined specific criteria it will utilize in reviewing advance of capital applications below.

Stakeholders may comment on any of the items outlined as criteria or the documents that might demonstrate such criteria. However, stakeholders should not comment on anything proposed in the filed 2024 Long Term Renewable Resources Procurement Plan, as that is part of an open docketed proceeding. Responses will be published on the Illinois Shines website. Should a commenter seek to designate any portion of its response as confidential and proprietary, that commenter should provide both public and redacted versions of its comments. Independent of that designation, if the Agency or the Program Administrator determines that a response contains confidential information that should not be disclosed, the IPA reserves the right to provide its own redactions.

The Agency is especially interested in hearing directly from Equity Eligible Contractors, Equity Eligible Persons, or those looking to qualify as such, but generally seeks input from a wide array of stakeholders.

Proposed Evaluation Criteria

Threshold Criteria

This information is dispositive – if an EEC does not have a “need” for a capital advance based on the criteria below, they will not receive an advance.

Company Information

1. Number of Employees –
 - a. How many persons are employed by the EEC?
 - i. Full-time?
 - ii. Part-time?
 - b. How many persons are employed by any companies that have an ownership stake in the EEC?
 - i. How many of those employees work on projects that are owned by the EEC or for which the EEC is the Approved Vendor?
2. Number of projects submitted within the Illinois Shines and Illinois Solar for All programs that have received REC contracts and number of projects developed outside of these programs
 - a. How many projects has the EEC submitted to either Illinois Shines or Illinois Solar for All and that have received a REC contract?
 - b. How many projects has the EEC developed outside the Illinois Shines and Illinois Solar for All programs?
 - c. How many projects have any affiliated companies (I.e., companies that own a minority-
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- share of the EEC) submitted to either program?
- d. How many projects have any affiliated companies developed outside of Illinois Shines or Illinois Solar for All?
3. Ownership structure - please list all owners, including other corporations, and their ownership stake in the EEC.
 - a. What is the role of the EEP majority-owner(s) within the company? E.g., Independent Contractor, Chief Operating Officer, General Manager, etc. If the role is simply “part-owner,” please provide specific details of the EEP’s duties and decision-making authority, and whether they hold positions with other companies.
 - b. For non-EEP owners, please list their titles/roles within the EEC and any titles/roles held with other companies.
 - c. For businesses that have minority ownership shares in the EEC, please list that non-EEC company’s ownership structure and the individuals that directly work on the project for which the EEC is seeking an advance of capital, and their role within the minority-owner company.
 4. When did the EEC start operating in the solar market (please list dates for any participation nationally and Illinois-specific participation)?
 5. When did any companies that have an ownership stake in the EEC begin operating in the solar market (please list dates for any participation nationally and Illinois-specific participation)?
 6. Please describe your portfolio of completed projects (size by kW AC, type (community solar or distributed generation), and location).

Other Sources of Financial Support

1. Are you pursuing any other government funding opportunities (both project specific and company-wide)?
 - a. If so, what are they?
 - i. Please include the source of the opportunity/funds (name of granting nonprofit or granting agency) and the fund/opportunity name.
 - b. When would those funds be available if granted?
2. What is the annual revenue of the EEC?
 - a. Please provide documentation proving such annual revenue, such as a tax return, cash flow statement, balance sheet, or others. This information will be treated as confidential per Section 2.F of the [Program Guidebook](#).
3. What is the annual revenue of companies with an ownership stake in the EEC?
 - a. Please provide documentation proving such annual revenue, such as a tax return. This information will be treated as confidential.
4. Has the EEC or its owners previously received private financing for other solar or non-solar projects? If so, please provide an estimate of the size of the most recent several loans or other financing mechanisms received by the EEC or its owners. The estimate should be rounded to show order of magnitude (e.g., \$50,000, \$100,000, \$750,000, \$2 million, etc.), without divulging confidential information.

Additional Criteria

Miscellaneous

1. Is the EEC company certified as a MWBE, veteran-owned, or disabled-owned business? If so,



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- please list and provide copies of your certification(s).
- 2. Will the EEC partner with other companies that do not have an ownership stake in the EEC?
 - a. Will those partners provide financial resources?
 - b. If so, please provide the annual revenue of those partners.
- 3. Are you partnering (subcontracting, sourcing materials from, or consulting) with any other EECs that would benefit from the Advance of Capital?

Experience based on EEP status (to be answered by the majority-owner EEP(s))

- 1. What difficulties or barriers have you faced in starting your business and accessing capital to develop this project?
 - a. To the extent possible, please connect these difficulties to the basis for qualification as an EEC:
 - i. a graduate of or current or former participant in the Clean Jobs Workforce Network Program, the Clean Energy Contractor Incubator Program, the Illinois Climate Works Preapprenticeship Program, Returning Residents Clean Jobs Training Program, or the Clean Energy Primes Contractor Accelerator Program, or the solar training pipeline and multi-cultural jobs program
 - ii. a person who is a graduate of or currently enrolled in the foster care system
 - iii. a person who was formerly incarcerated,
- 2. If the majority-owner EEP is a person whose primary residence is in an equity investment eligible community, how long have they lived in that community (or another EIEC)?
 - a. Please provide any other information you feel would be relevant to understanding the requestor’s experience in the EIEC or involvement in the community.

Documentation of financial difficulty

- 1. If applicable, please provide any evidence or documentation of challenges in accessing capital, such as letter of denial for financing or record of loan application history.

Size of project and requested advance

- 1. Please provide the size and type of project(s) for which you are requesting capital.
- 2. What is the total amount of your request for advance of capital for this project?
 - a. Across all requests submitted this year?
- 3. Have you received an advance of capital in previous years?
- 4. Please list the specific project costs that the advance will cover.
- 5. What project milestone(s) should trigger disbursement of the advance?

Next Steps

Task	Tentative Deadline*
IPA to develop review and approval process	September – October 2023
IPA to publish proposed review and approval process for feedback	October 31, 2023
Feedback deadline	November 14, 2023



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IPA to publish final Advance of Capital criteria and begin accepting re-submissions of requests	December 1, 2023
IPA to provide determinations on requests from PY 2022-2023	December 2023

**Deadlines outlined here are tentative and subject to change*

If any questions remain, please reach out to the Program Administration team at admin@IllinoisShines.com