

Final Advance of Capital Evaluation Criteria

December 12, 2023

The Illinois Power Agency would like to thank all stakeholders that provided comments on the [recent request for comments](#) regarding how to evaluate requests for an advance of capital for EEC Category projects applying across the 2022-23 and 2023-24 Program Years. This document provides the evaluation criteria for requests for an advance of capital. Please see the accompanying [rationale](#) for a stronger understanding of the basis for decisions made by the Agency in finalizing this approach.

In developing these criteria, the Agency attempted to balance a requirement that EECs must demonstrate the need for an advance while recognizing that documentation of need may not always be readily available. The criteria were selected to help the Agency identify EECs that have barriers to participation in the solar market and require an advance of capital to overcome those barriers, in accordance with the spirit and direction of the provisions of the IPA Act.

This approach governs the program years specified above. The 2024 Long-Term Renewable Resources Procurement Plan, which governs the following two program years, has been filed for approval with the Illinois Commerce Commission in Docket No. 23-0714 and references this stakeholder process and development of evaluation criteria. The Agency intends to rely on the criteria adopted here in future program years as well, pending the ICC's approval of that approach in the filed Plan. Stakeholders wishing to comment on future program years' process may do so through the Long-Term Plan approval process.

Final Evaluation Criteria

By law, advancement of capital should be “designed to overcome barriers in access to capital faced by equity eligible contractors” and granted only “upon a demonstration of qualification or need.”¹ To determine whether “need” is present and in assessing how to structure an advance of capital specific to an applicant project, applicant Equity Eligible Contractors – and, in some cases, their EEP majority owners – will be required to provide the following information. The resulting responses will then be the criteria on which advance of capital determinations are made. Where possible, please reinforce any claims with supporting documentation. In addition, the Program Administrator reserves the right to request further documentation to substantiate any claims made in the submitted Advance of Capital Request.

Threshold Criteria

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

Company Information

1. Number of Employees (weighted in favor of smaller companies)
 - a. How many persons are employed by the EEC?
 - i. Full-time?

¹ 20 ILCS 3855/1-75(c)(1)(K)(vi).

- 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 (weighted in favor of entities with fewer successful project applications and projects developed)
 - 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-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 businesses, and their ownership stake in the EEC (weighted in favor of entities with higher EEP ownership stake and control of the company)
 - a. What is the role of the EEP majority-owner(s) within the company? E.g 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-EEP 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)? (weighted in favor of companies with less years of experience)
 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)? (weighted in favor of companies with less years of experience)
 6. Please describe the EEC's and any company with a minority ownership share's portfolio of completed projects (size by kW AC, type (community solar or distributed generation), and location). (weighted in favor of companies with fewer completed projects)

Other Sources of Financial Support

1. Is the EEC pursuing any other government funding opportunities (both specific to the project for which the advance of capital request is made and company-wide)? (weighted in favor of those with who may not have access to other capital sources; please note that pursuing other funding opportunities does not automatically disqualify an EEC from receiving an advance of capital, and eligibility for other funding opportunities may speak to general barriers to capital)
 - 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.
- ii. Please include the status of that funding opportunity.
 - b. When would those funds be available if granted?
2. What is the annual revenue of the EEC? (weighted in favor of businesses with small annual revenue)
 - 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? (in combination with other information on the role of any companies with a minority ownership stake, weighted in favor of EECs where a company with a minority share exhibits less control of the EEC and has fewer resources available)
 - 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. (weighted in favor of EECs that have not previously received private financing or have only received few or smaller amounts)

Additional Criteria

This information is additive – if an EEC demonstrates eligibility for a capital advance based on the threshold criteria, the criteria below will also be evaluated to make a final determination for receiving an advance.

Miscellaneous

1. Is the EEC company certified as a MWBE, veteran-owned, or disabled-owned business? If so, please list and provide copies of your certification(s). (weighted in favor of entities with other certifications)
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. Is the EEC partnering (subcontracting, sourcing materials from, or consulting) with any other EECs that would benefit from the Advance of Capital? (weighted in favor of firms partnering with other EECs)

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)? (weighted in favor of EEP owners with longer residency in EIECs)
 - 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 the EEC is requesting capital. (weighted in favor of smaller and DG projects)
2. What is the total amount of the requested advance of capital for this project? (weighted in favor of smaller requests)
 - a. Across all requests submitted this year?
3. Has this EEC received an advance of capital in previous years? (weighted in favor of EECs that have not previously received an advance of capital)
4. Please list the specific project costs that the advance will cover.
5. What project milestone(s) should trigger disbursement of the advance?