Illinois Power Agency

Equity Accountability System & Storage Procurements

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ILLINOIS POWER AGENCY

Agenda

- Background – CEJA & CRGA
- The Minimum Equity Standard
- Compliance with the Minimum Equity Standard
- Energy Workforce Equity Portal
- Review of Materials for Compliance
- MES Waiver Request Process
- Resources

Scope

This presentation is intended for **Utility Scale Storage suppliers only** and will not cover requirements for:

a) utility scale wind and solar projects,

b) Illinois Shines projects, or

c) Illinois Solar for All projects.

BACKGROUND

CEJA & CRGA

Establishment of the EAS Under CEJA

- The Climate and Equitable Jobs Act (CEJA) created an **Equity Accountability System (EAS)** that gives:

  "priority access to the clean energy economy for business and workers from communities that have been excluded from economic opportunities in the energy sector, have been subject to disproportionate levels of pollution, and have disproportionately experienced negative public health outcomes."

- As relevant to storage procurements, the Equity Accountability System includes:
  - Establishment of a **Minimum Equity Standard (MES)** for storage projects
  - **Prioritization of bids** within competitive procurements

Requirement of EAS Compliance for Storage Projects Under CRGA

- The Clean and Reliable Grid Affordability Act (CRGA) created a requirement that MES compliance is required for storage projects procured by the IPA
- Prioritization of bids within competitive procurements
  - For initial August 2026 procurement, Energy Transition Grant Community (ETGC) tie breaker for tied bids.*
  - Future storage procurements might feature different prioritization efforts, be sure to check the RFP requirements for confirmation on prioritization specifics for each procurement

Details on this mechanism are found in the RFP requirements for the specific procurement on the Procurement Administrator’s website.

MINIMUM EQUITY STANDARD (MES)

Definition of MES & Its Components

Minimum Equity Standard (MES)

- **Minimum Equity Standard** is the minimum percentage of project workforce for participating projects that consists of **Equity Eligible Persons or "EEPs"**
- For utility scale storage projects, the MES will be set at 10% for projects under the 2026 ISC Contract
  - All construction work conducted under a contract is subject to the same MES percentage, even if the work spans multiple years.
  - The MES percentage is meant to increase over time, so projects that win bids in future procurements could have a higher MES requirements than those in the August 2026 procurement.

Equity Eligible Person:

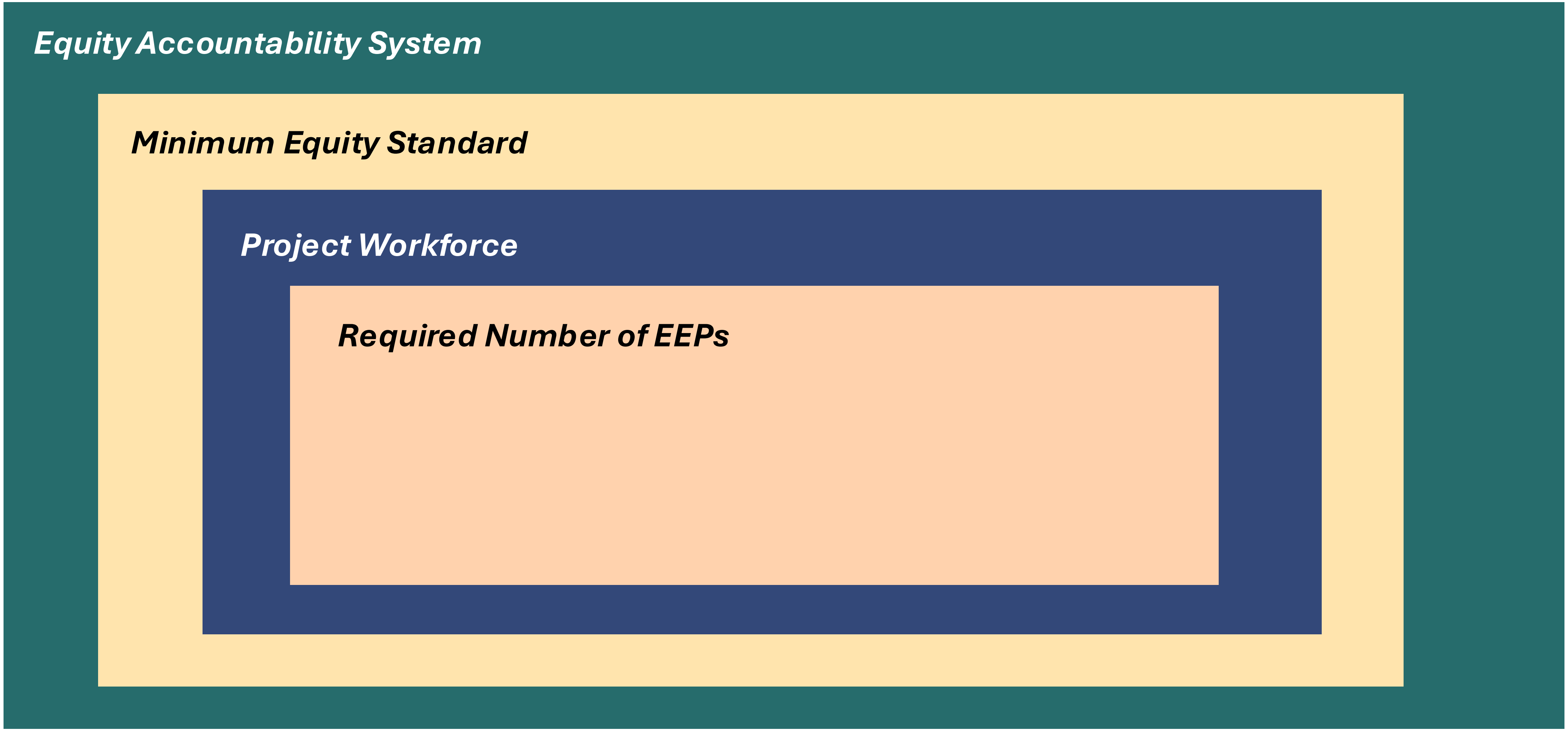
1. Graduates or current or former participants in qualifying training programs*
2. Persons who are graduates of or currently enrolled in the foster care system
3. Persons who were formerly incarcerated
4. Persons whose primary residence is in an equity investment eligible community

Find qualifying programs here: https://energyequity.illinois.gov/job-seekers/education-and-training.html

Who makes up the Project Workforce?

- Employees, contractors and their employees, and subcontractors and their employees
- 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.
- Including workforce in administrative, sales, marketing, and technical roles where **those workers' duties are physically performed in Illinois.**

Equity Accountability System At a Glance



COMPLIANCE WITH THE MES

Finding and Registering EEPs & Reporting Compliance with MES Percentage

Finding EEPs for Your Project Workforce

- In order to comply with the MES, the Seller must ensure their workforce is made up of at least 10% EEPs
- If EEPs aren't already on staff, the Seller must hire EEPs to meet the 10% requirement
  - EEPs ready to work can be found on the Equity Portal
  - Seller might already have EEPs on staff, as one qualifier is through location of residence – if a person lives in a qualifying equity investment eligible community (EIEC), they can become certified as an EEP

Sellers should count EEPs on staff as soon as possible, and prior to the year end compliance period, so that there is time to get on track with the 10% requirement if Sellers do not already have the sufficient number of EEPs on staff.

How to Meet the MES - Registering EEPs

- In the Year-End Report portion of the MES Combined Report, **you will be required to provide the full names of individuals in your project workforce who qualify as EEPs** in order to demonstrate compliance
- EEP registration can be done by either:
  1. Having EEPs register in IPA's Energy Workforce Equity Portal, or
  2. Collecting signed EEP attestations and providing documentation for those individuals' EEP qualifications to submit to the IPA with the Year-End Report
- **The IPA will verify EEP qualifications as part of the review process**

Registering EEPs – Documentation Required

- **If an EEP qualifies based on residence in an Equity Investment Eligible Community (EIEC), documentation showing residency is required** from the following list: driver's license or a state ID, utility bill, pay stub, mortgage agreement, or lease.
- **If an EEP qualifies based on being a graduate, current or former participant in an eligible job training/workforce development program, documentation showing enrollment is required** - either a certificate of completion, or formal communication from the training organizer.

How To Meet the MES – Reporting Requirements

30 Days Post Contracting

Submission of **First Compliance Plan** detailing plan to comply with EEP percentage requirement

December 1

Mid-Year Report detailing trajectory toward complying with EEP percentage requirement

July 15

Combined MES Report that reports on compliance in first year and planned compliance for next year

**** Combined MES Report and Mid-Year Report submission requirement repeat annually to ensure compliance for each Delivery Year in which construction occurs***

First Compliance Plan

Submission Deadline	Submission Process	Content Collected
The initial MES Compliance Plan is **due within 30 days of the Commission Bid Approval Date**.	Once the ICC approves procurement results, the Seller will be given access to the Supplier Portal by the Procurement Administrator The Seller's account in the Supplier Portal will have access to the "MES Compliance Plan for New Projects" which the Seller can then complete	• A narrative description of how Seller will meet the Minimum Equity Standard and a statement of intent to comply; • Projected number of workers and the demographic breakdown by race, gender, and participation in job training or workforce development programs, or other means of compliance with the standard for Equity Eligible Persons; • Plans for the use of Equity Eligible Contractors; • Seller classification (i.e., Minority-owned, Woman-owned, Disabled-owned, Veteran-owned, Small Business, etc.), if applicable; • Communication plan for local outreach to increase the utilization of Equity Eligible Persons and Equity Eligible Contractors;

Mid-Year Report

Submission Deadline	Submission Process	Content Collected
Halfway through the Delivery Year, each Seller must submit a Mid-Year Report **by December 1st**.	Submission forms for the Mid-Year Report are available on the Supplier Portal.	Mid-Year Report includes confirmation that Seller's Minimum Equity Standard Compliance Plan is progressing in accordance with MES requirements. If an entity indicates that it is struggling to meet the MES, the Agency will provide additional resources to support successful compliance.

Combined MES Report

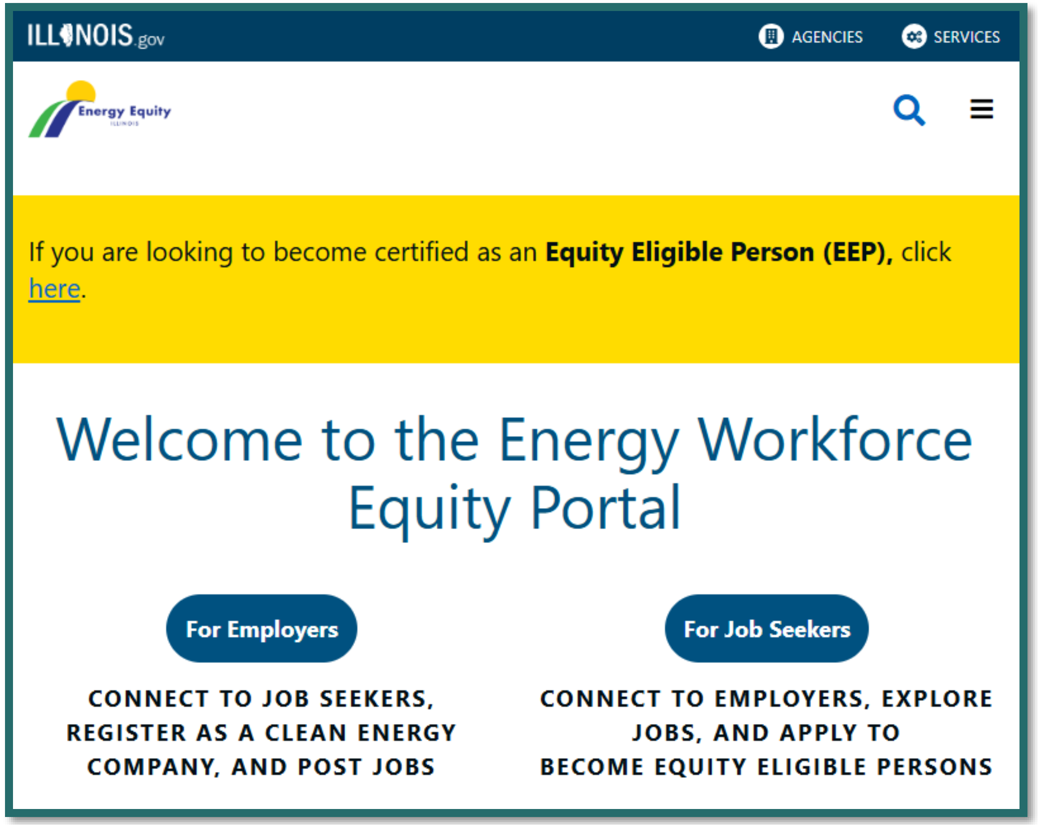
Submission Deadline	Submission Process	Content Collected
The MES Combined Compliance and Year-End Report is **due annually on July 15th.** Under the 2026 ISC Contract - once COD is reached, the MES requirements no longer apply. (**Note**: If COD is reached during a Delivery Year, at the end of that Delivery Year the Seller will complete a final Combined MES Report.)	Combined Reports are submitted via the Supplier Portal. Sellers will have the ability to attach any relevant documentation need to support their submission.	This Combined MES Compliance Plan and Year-End Report (or Combined MES Report) is required for all Sellers whose projects have not yet reached COD, and includes two sections: 1. a backward-looking section for entities to report data outlining compliance with previous Delivery Year's MES requirements, and 2. a forward-looking section for entities to detail plans to meet the MES requirements in the upcoming Delivery Year. **Compliance Plan** • A statement of intent to comply with equity accountability standards for the applicable Delivery Year and hire a diverse project workforce including Equity Eligible Persons and Equity Eligible Contractors. • Projected number of workers and the demographic breakdown by race, gender, and participation in job training or workforce development programs, or other means of compliance with the standard for EEPs. • Plans for the use of Equity Eligible Contractors, if applicable. • Applicant classification (i.e., Minority-owned, Woman-owned, Disabled-owned, Veteran-owned, Small Business, etc.), if applicable. • Communication plan for local outreach to increase the utilization of Equity Eligible Persons and Equity Eligible Contractors. **Year-End Report** • Seller and subcontractor information • Project workforce total • Total number of EEPs in project workforce and documentation of EEP certification • Project workforce demographic and geographic information • Residential zip codes for ALL employees in project workforce • Data on project workforce employee classification (Full-time, Part-time, etc.)

ENERGY WORKFORCE EQUITY PORTAL

What is the Equity Portal & How to Use it to Aid in MES Compliance

MES Compliance Using the Equity Portal

- Energy Workforce Equity Portal: https://energyequity.illinois.gov/
    - Equity Portal helps connect clean energy companies with **Equity Eligible Persons** looking to work in the clean energy sector
    - Developers can use this portal to **advertise clean energy jobs** and to **search for Equity Eligible Persons** seeking employment, and apply to qualify as an Equity Eligible Contractor
    - Training for participants to get acquainted with the portal is available here: https://www.youtube.com/watch?v=RWmu0mCs8N0



Registering EEPs Using the Equity Portal

- Employees can utilize the Equity Portal in order to register as EEPs, if the employee is not already registered within the portal
- Registration in the Equity Portal is quicker and easier than registration via submitting documentation during the Year-End Report process
- EEPs can register in the portal by using this link: https://app.smartsheet.com/b/form/a662d496abad4207b2778754aa19c7ff
- Employees can register themselves OR employers can register their employees in the portal as EEPs
    - If employers register their staff as EEPs, an attestation signed by the relevant employee is required in addition to and any required supporting documentation for the reason for EEP certification (if qualifying through EIEC residence or training program)

Equity Eligible Investment Community (EIEC) Map Tool

- Enter address and the map will tell you if that address is in an Equity Investment Eligible Community, aiding in confirmation of EEP status for an employee
- Full Shapefile available on Equity Portal site

Energy Equity
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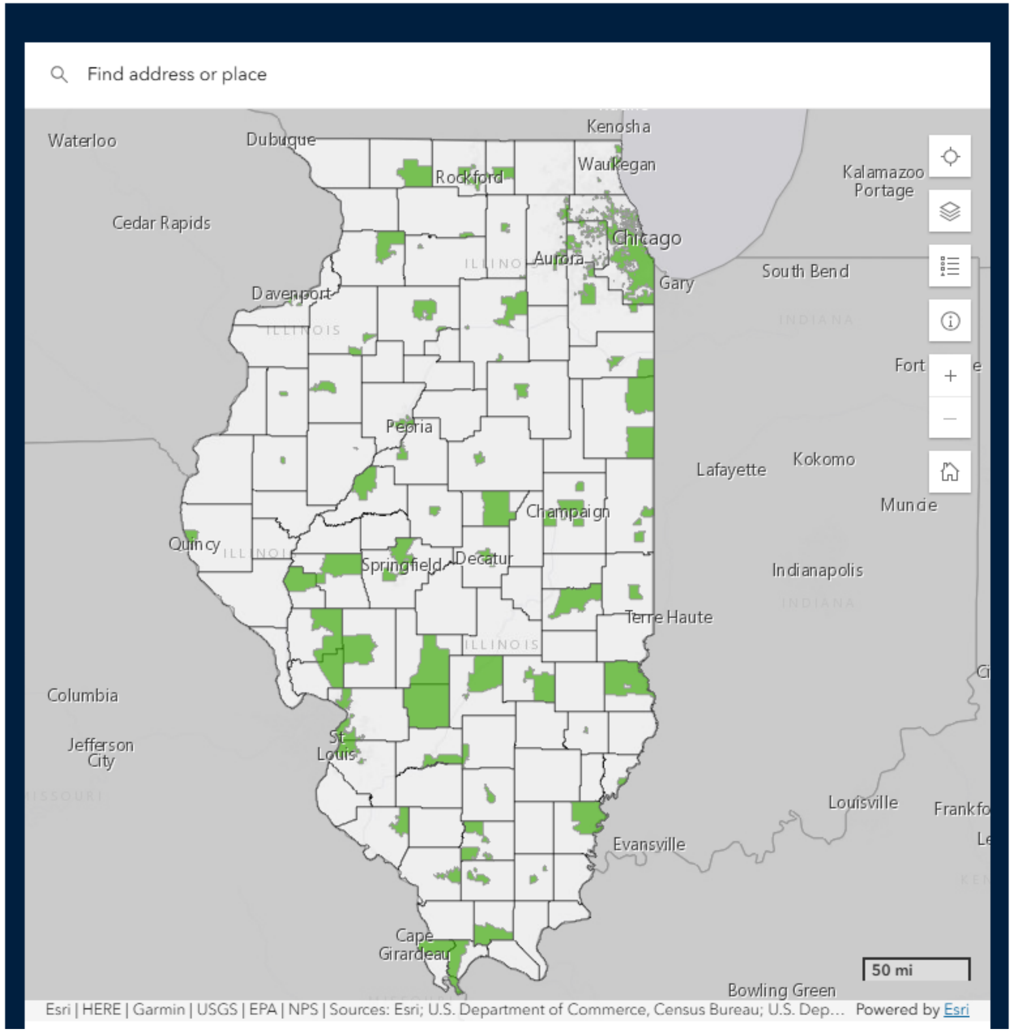

REVIEW OF MATERIALS FOR COMPLIANCE

How the IPA Reviews and Approves Submitted Materials

How MES Materials are Reviewed and Approved

- The IPA will review each submitted MES report for completeness, required information, and compliance with the MES.
- If the Report is approved, the Seller will be notified and require no further action.
- If there is any missing or deficient information, the IPA will reach out to the Seller and allow them the opportunity to revise their report or provide further information.
- If the report continues to be deficient, the Seller may be subject to disciplinary action.

Consequences of Noncompliance with the MES

- If the MES is not met, meaning less than 10% of EEPs are reported for a project workforce OR reporting is not completed, **Seller may be suspended from participation in future procurements**
- MES Waivers will be available to projects participating in the initial procurement, but keep in mind waivers have very specific requirements

WAIVER REQUEST PROCESS

How to Request a Waiver from the MES

Waiver Overview

- **All Sellers should be working to achieve compliance with the Minimum Equity Standards.**
- All successful bidders are expected to submit reporting documentation, even if they are ultimately unable to meet the MES.
- In rare cases, the Seller may request a waiver if, after executing the MES Report, Seller is still unable to meet the MES.
- If it is clear that attempts were not made to comply with the MES, a waiver will not be granted.
- The IPA will accept waiver requests on a rolling basis throughout the Delivery Year.

Waiver Requirements

The Agency will grant waivers in rare circumstances where the applicant provides evidence of significant due diligence toward meeting the minimum equity standards. Per the Long-Term Plan, waiver requests should include:

1. A brief narrative describing the entity's effort to recruit Equity Eligible Persons, including the following:
    a. Working with job training and workforce development programs to recruit Equity Eligible Persons
    b. Maintaining applications of individuals not selected for an opening for contact regarding future project openings
    c. Participating in job fairs and related local community events
2. Evidence of efforts to hire or contract with EECs, such as communications with affiliated CBOs and/or training program facilities, State workforce hubs, union hall registers, professional development associations, etc. This should include the date of contact, the agency official and title of the individual contacted.
3. Advertising or formal solicitation using various platforms such as job posting websites, alumni associations, social media, etc.
4. Evidence that the entity posted all solicitations on appropriate State agency websites, include direct targeted e-mail alerts to appropriate respondents who have registered with State agencies to learn of opportunities.

Enforcement of Standard

- Non-compliance of the MES may lead to disciplinary consequences, including suspension of the entity's ability to submit bids to future IPA procurements.
- <u>Waivers are granted for one year only and only granted on a per project basis</u>. If construction activities for a project span multiple years, the Seller is expected to continue attempting to come into compliance with the MES in years following the granting of a waiver.

RESOURCES

Hyperlinked Resources

- Storage Procurements and the MES resource
- Energy Workforce Equity Portal
- Equity Investment Eligible Community (EIEC) Map
- EEP Registration link
- Energy Storage specific MES Waiver can be found on the IPA Energy Storage webpage
- Current Indexed REC Procurement waiver request for reference

Thank you!

Contact us with questions or further feedback here:

Illinois.Storage@illinois.gov* OR *IPA.EnergyEquity@illinois.gov