

**ILLINOIS
FINANCE
AUTHORITY.**



**ILLINOIS
CLIMATE
BANK**

WORKING DRAFT

1. What is the Illinois Finance Authority / Illinois Climate Bank?
2. Overview of Illinois Climate Bank Initial Efforts
3. IFA's Climate Bank Transformation Roadmap
4. Grid Resilience Funding Opportunity (Section 40101(d))
5. Input sought for State of Illinois' submission
6. Questions, Answers, and Comment
7. Presentations
8. Next Steps

DOE 40101(d)

DOE EE RLF

EPA GGRF

DOE GRIP

STAKEHOLDER COLLABORATION

- Small Group Meetings
- **March 7: DOE Grid Resilience - Section 40101(d) Ideas Workshop**
- March 17 (10 AM - 12 PM): Energy Efficiency Revolving Loan Fund Ideas Workshop

STAKEHOLDER SURVEYS

- Resilience Programs: DUE March 10
- Climate & Equitable Finance: DUE March 24

OFFICIAL PUBLIC HEARING

- **March 14 (10:30 AM, 6 PM): DOE Grid Resilience - Section 40101(d) Public Hearing**



The General Assembly designates the Authority as the Climate Bank to aid in all respects with providing financial assistance, programs, and products to finance and otherwise develop and facilitate opportunities to develop clean energy and provide clean water, drinking water, and wastewater treatment in the State.

**- Climate & Equitable Jobs Act, 2021
(20 ILCS 3501/850-5)**



CLIMATE BANK POWERS

(b) In its role as the Climate Bank of the State, the Authority shall have the power to:

- (i) administer programs and funds appropriated by the General Assembly for clean energy projects in eligible communities and environmental justice communities or owned by eligible persons,
- (ii) support investment in the clean energy and clean water, drinking water, and wastewater treatment,
- (iii) support and otherwise promote investment in clean energy projects to foster the growth, development, and commercialization of clean energy projects and related enterprises, and
- (iv) stimulate demand for clean energy and the development of clean energy projects.

- Climate & Equitable Jobs Act, 2021 (20 ILCS 3501/850-10(b))

JOINT VENTURES

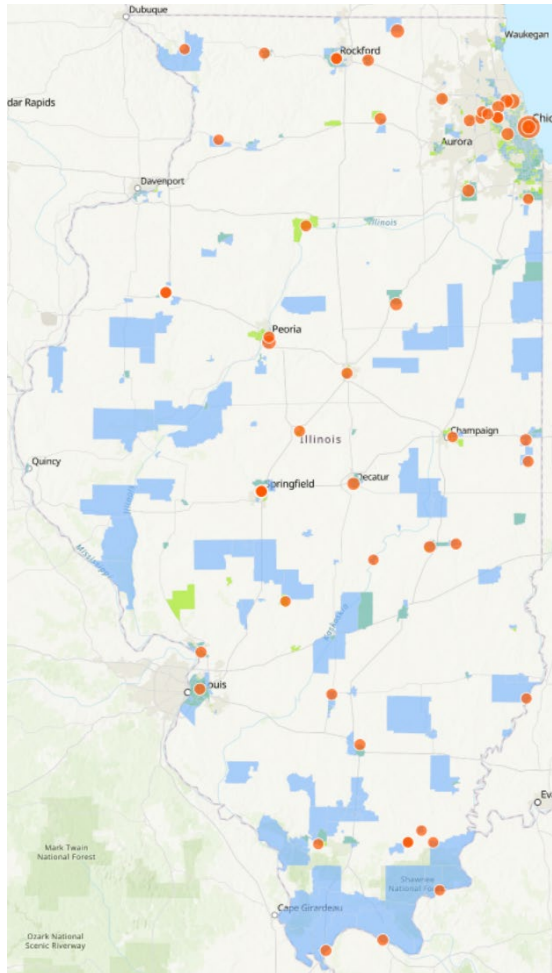
INVESTMENTS

FED/STATE FUNDS

WORKING CAPITAL

REFINANCE

In 2022 (first 12 months of the IFA's Climate Bank designation):



- **\$256 million** in private capital mobilized and deployed
 - \$233 million for public water quality infrastructure through State Revolving Fund in partnership with IL EPA
 - \$23 million for Commercial Property Assessed Clean Energy Bonds (C-PACE) with no public subsidy
- **65%** of these investments, funded by private capital, were made in or benefit disadvantaged communities.

IFA Climate Bank Transformation Roadmap



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MARCH - AUGUST 2023



Identify:

Deploy current resources / gather partners to apply for federal funds

Mobilize IFA staff to...

- Develop competitive federal grant applications.

Engage potential partners to...

- Develop competitive applications and to have partners to deploy funds when applications are successful.



Apply:

Develop & submit winning applications for federal funding

Secure ~\$1.2 billion in federal funds:

- EPA - GGRF
- DOE - GRIP
- DOE - 40101(d)
- DOE Revolving Fund
- SSBCI
- RECI
- More

Re-design IFA organization to operate Climate Bank as financially sustainable organization consistent with new federal funding sources and objectives.



Implement:

Deploy fed funds in a sustainable manner through leverage

Support CEJA goals through climate finance and program deployment.

Deploy new standardized financial tools to reduce the cost of de-carbonization for ordinary people and marginalized businesses in a fair & equitable manner.

Significantly expand Illinois climate finance efforts by securing U.S. DOE Federal Loan Guarantee for \$10b - \$20b of investment.

Day-to-Day Core Business Activities: Issue conduit bonds



INITIAL EFFORTS



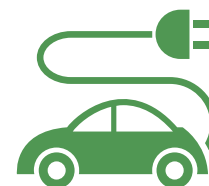
U.S. EPA GREENHOUSE GAS REDUCTION FUND

\$280m - \$1.08b
to seed Illinois Climate
Bank and Illinois Jobs &
Justice Fund Activities



U.S. DOE 40101(d) GRID RESILIENCE

\$8m/yr for 5 yrs
to improve reliability and
resilience, particularly in
disadvantaged
communities



U.S. DOE GRIP PROGRAM

\$138m
to accelerate
transportation
electrification in rural and
small-town communities



U.S. DOE EE REVOLVING LOAN FUND

\$15.3m
to finance building
retrofits and to provide
working capital to
minority contractors



GRID RESILIENCE STATE FORMULA GRANTS

Section 40101(d)
US DOE

\$8 M/yr for State of Illinois, for 5 years

- For the purpose of implementing resilience measures.
- Money is provided to the State, but can be subcontracted to cities, utilities or others.
- **Eligible for:** Weatherization, fire prevention, monitoring and control, undergrounding, poles, advanced conductors, vegetation management, distributed energy resources including microgrids, protection, modeling, hardening.
- **Next Steps:** Illinois Finance Authority must submit application by March 31 outlining objectives, metrics, criteria, and methods for subawards.

OPPORTUNITY:

The State of Illinois will be responsible for distributing these grants to improve reliability and resilience, particularly in disadvantaged communities. Funds can be used for a variety of investments, including for microgrids, weatherization, and automation. Large utilities have to match grants 1:1, but other entities are only required to match 33% of the grant value.

NEXT STEPS:

The State must submit its proposed spending plan to the U.S. Department of Energy by March 31. The State will work to identify projects, such as critical services, grid modernization, weatherization, resilience programs, and community resilience centers, in partnership with small utilities and communities, to ensure alignment on the proposal submitted to the DOE.



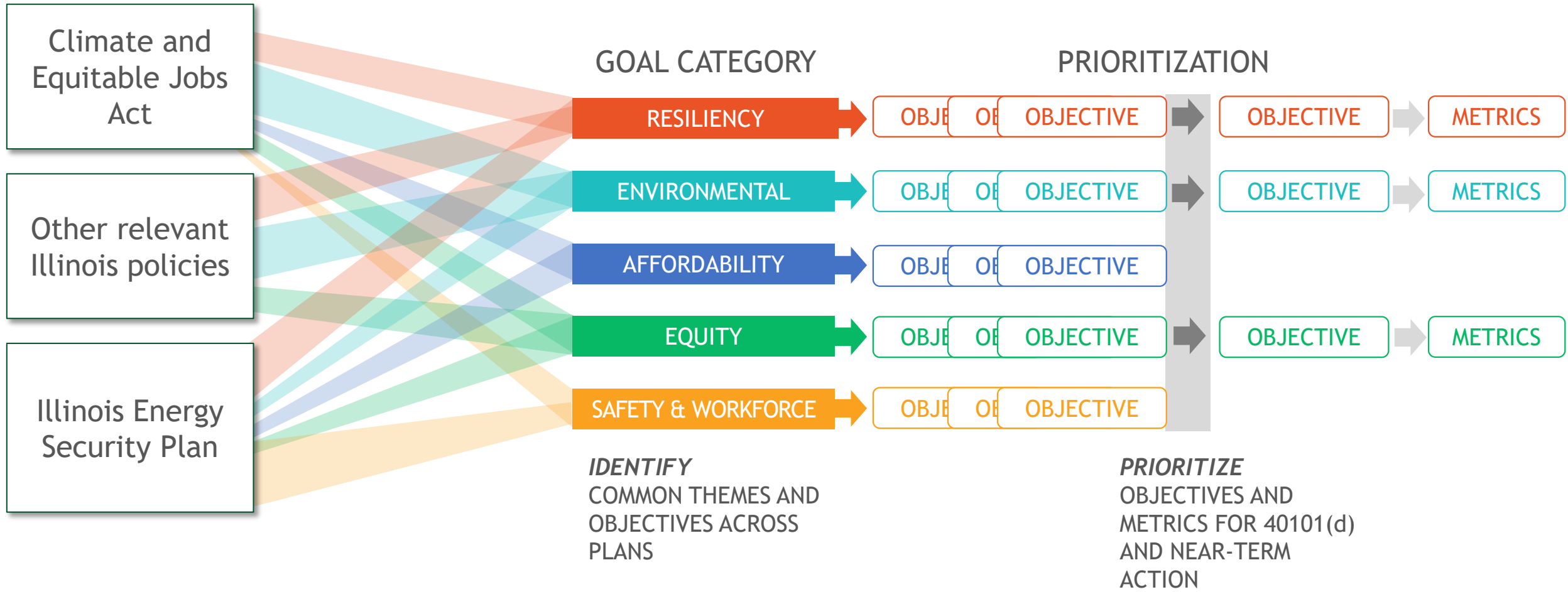
RESILIENCE PROGRAMS

- Establishing resilience objectives and metrics
- Identifying types of projects that are preferable
- Identifying methods of fund distribution
- Establishing criteria for project selection
- Prioritizing resiliency improvements in EIECs

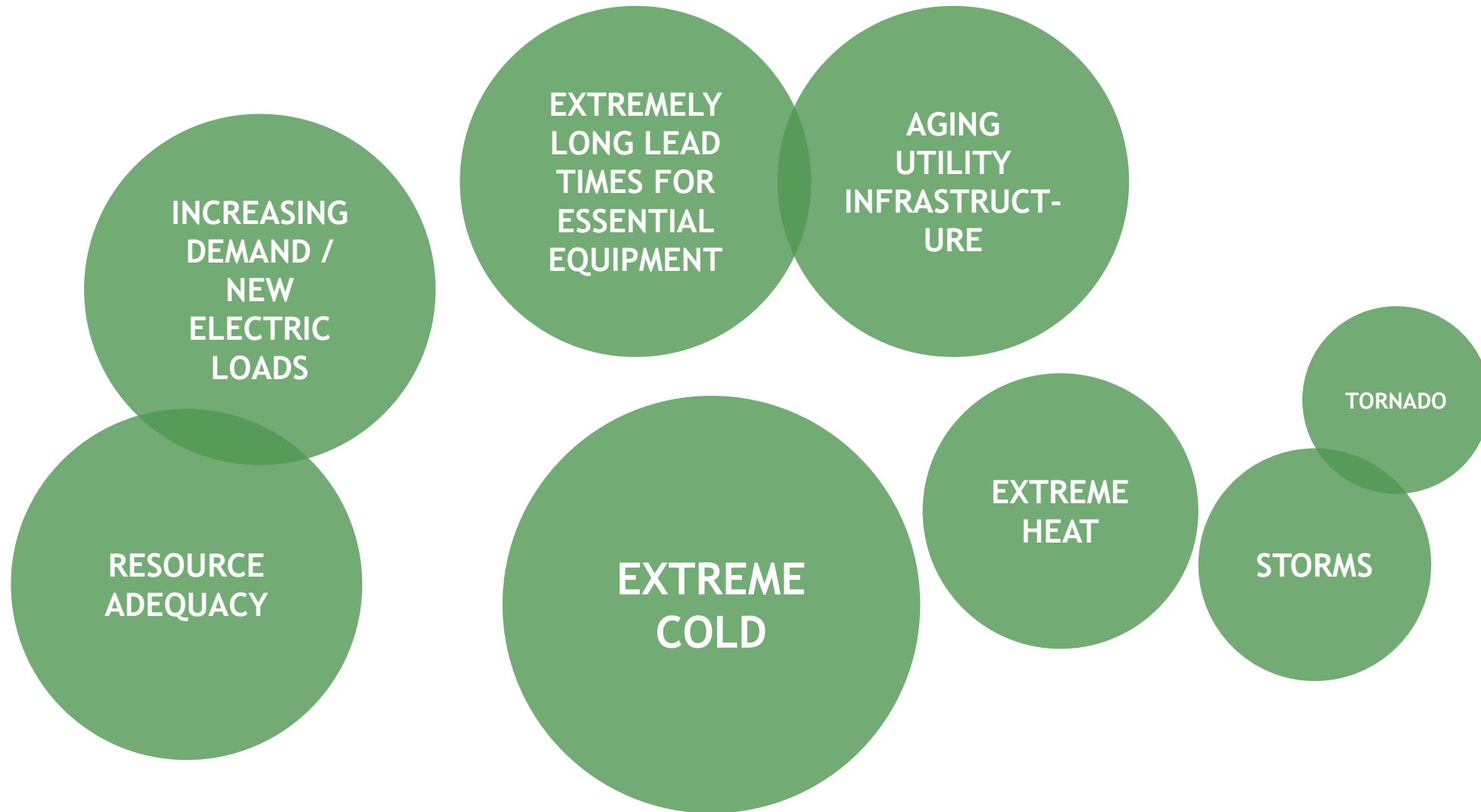
Resilience Program Objectives & Metrics



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Identifying biggest threats / hazards



Resilience Program Objectives Input



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OBJECTIVES

EXAMPLES

	RESILIENCY	ENVIRONMENTAL	AFFORDABILITY	EQUITY	SAFETY & WORKFORCE
	Reduction in frequency and duration of outages in EIECs/DACs	Enhance environmental quality and public health	Reduce the energy burden for low-income residents	Increase access to and opportunities for residents & businesses in EIECs/DACs	Ensure the safe operation of the energy system
	Increase community resilience for those least able to respond to disruptions	Speed the installation and integration of renewables.	Ensure low-income and disadvantaged communities directly benefit first	Build awareness and trust in grid/energy systems in frontline and EJ communities	Prepare the workforce for emerging technology opportunities
	Align resilience planning with future climate risks	Leverage nature-based solutions and native tree planning	Support communities in making long-term affordable energy decisions	Support communities and small utilities that lack capacity	Address health & safety limitations on building stock
			Reduce costs for public entities that pass through costs to taxpayers/users	Ensure equity in outage management processes, as well as planning	Protect homes from in-home hazards during flooding/disasters

WHAT OBJECTIVES ARE MISSING?

Resilience Program Metrics Input



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METRICS

EXAMPLES

	RESILIENCY	ENVIRONMENTAL	AFFORDABILITY	EQUITY	SAFETY & WORKFORCE
	SAIDI (System Average Interruption Duration Index)	Metric Tons of GHGe Reduced	Reduction in energy burden for participating customers	Total project value (& %) in Equity Investment Eligible Communities	Jobs created
	SAIFI (System Average Interruption Frequency Index)	NOx, Sox, PM Tons Reduced	Reduction in costs for all / non-participating customers	Value of diverse contractor spending	Graduates of training programs
	CELID (Customers Experiencing Long Interruption Durations)	MW/MWh of renewable energy, energy storage installed for critical loads	Reduction in costs to public agencies for outage response	# and dollar value of project value to Equity Eligible Contractors / Persons	Homes hardened / residents supported
	CEMI (Customers Experiencing Multiple Interruptions)	Peak demand reduction		New business starts in Equity Investment Eligible Communities	Reduction in wires down events
	Specifically measure impacts in Equity Investment Eligible Communities / DACs				

WHAT METRICS ARE MISSING?

Resilience Program Criteria

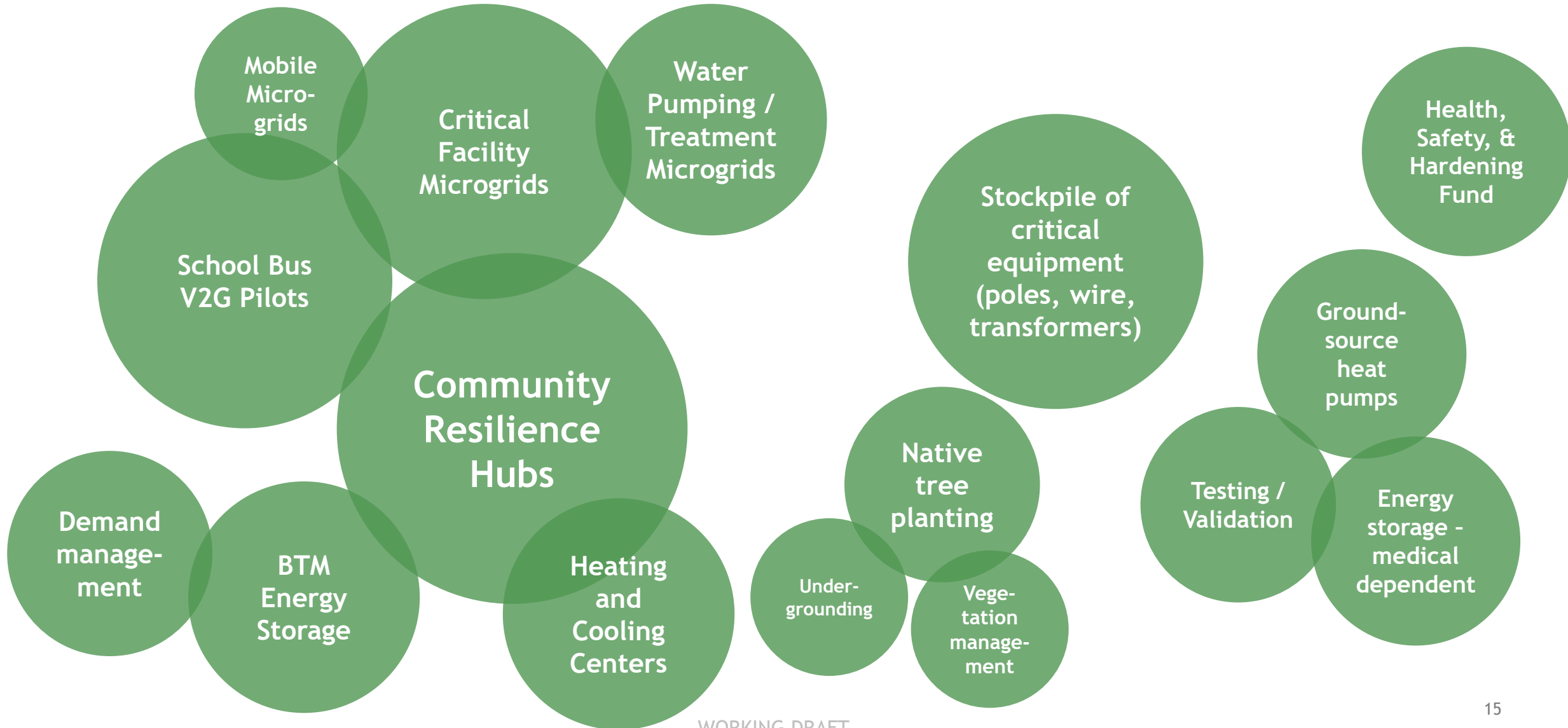


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Using DOE criteria as a baseline, the State of Illinois must establish its own project/applicant selection criteria to minimize both the likelihood and consequences of disruptive events.

	WHO	WHERE	WHAT	WHEN	HOW
DOE Minimum Requirements	<ul style="list-style-type: none"> • Electric grid operator • Electricity storage operator • Electricity generator • Transmission owner or operator • Distribution provider • Fuel supplier • Other relevant entity • Small utility set-aside 	<ul style="list-style-type: none"> • State of Illinois • Small utility set-aside 	<ul style="list-style-type: none"> • Weatherization • Fire-resistance/prev. • Monitoring/Control • Undergrounding • Utility pole manage. • Power lines • DERs & microgrids • Adaptive protection • Advanced modeling • Hardening 	<ul style="list-style-type: none"> • 5-year period of performance per each annual budget period 	<ul style="list-style-type: none"> • Workforce development • Diversity, Equity, Inclusion and Accessibility • Buy America • Davis-Bacon • Cost-match
Illinois Prioritization (responses)	<ul style="list-style-type: none"> • Local governments • Hospitals • Schools • Non-profits/co-ops • Match community 	<ul style="list-style-type: none"> • Equity Investment Eligible Communities (or Justice40 DAC) • High outage rate • Climate Risk • Affordable housing • “Energy communities” 	<ul style="list-style-type: none"> • See next page 	<ul style="list-style-type: none"> • Shovel-/Paper-ready projects • Supporting lead-time for community planning • Supplemental in-process projects • Flexibility for match 	<ul style="list-style-type: none"> • RFP process • Seed / planning grants • Connect to workforce initiatives • Stand up community-level processes • Keep dollar flow in communities • Simplify processes • Technical assistance

Proposed Project Ideas



Cost-Share Requirements



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SMALL UTILITIES

33% + 15% =
48% of grant



OTHER ENTITIES

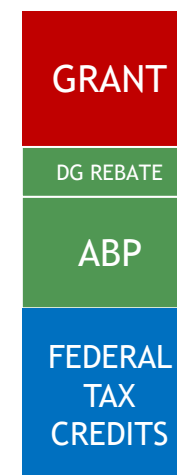
100% + 15% =
115% of grant



Most Non-federal dollars can be used as cost-share, including:

- Adjustable Block Program solar incentives
- DG rebates including energy storage rebates
- Utility energy efficiency program incentives
- Utility peak load reduction program incentives
- Beneficial Electrification program incentives
- Utility spending
- State grants
- Local government grants

EXAMPLE



Survey Closes March 10, 2023.

<https://forms.gle/do5LLDF5rPDfxyTD6>

Illinois Finance Authority | Illinois Climate Bank: **GRID RESILIENCE INITIATIVES SURVEY**

The Illinois Finance Authority / Illinois Climate Bank, on behalf of the State of Illinois, is developing a new resilience program with funding from the U.S. Department of Energy under the Bipartisan Infrastructure Law to provide grants to improve reliability and resilience to the electricity system, particularly in disadvantaged communities, throughout Illinois.

The resilience program will provide \$8 million/year for communities, utilities, and others for innovative energy resilience projects.

The Illinois Finance Authority was established as the Illinois Climate Bank under 2021's Climate & Equitable Jobs Act, and is working to help accelerate the state's climate, equitable, and energy goals. As it works to stand up resilience and climate & equitable finance programs, it values feedback and input from stakeholders from across the state.

Thank you for completing this survey.

If you have any questions regarding this survey, please reach out to Andrew Barbeau at: andrew@theaccelerategroup.com

Hazards

First, we want to hear a little bit about your experience with energy resilience in the state, and to get your perspective on what are the biggest hazards facing Illinois' electric grid.

What do you think are the biggest challenges or hazards the State should prepare for in its resilience planning? (rank from 1-to-5, with 5 being the most important)

	1 (Least Important)	2	3	4	5 (Most Important)
Extreme Heat	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Extreme Cold	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tornadoes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Storms	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wildfires	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Flooding	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Earthquakes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Questions?

March 7, 2023

Illinois Finance Authority

160 N. LaSalle Street, Suite S-1000

Chicago, IL 60601

Will Hobert, Chair
Chris Meister, Executive Director www.il-fa.com

