

To: Stakeholders

From: Christopher B. Meister, Executive Director

Date: November 10, 2022

Purpose: ***Agency Listening Session Materials related to Greenhouse Gas Reduction Fund***

Staff of the Illinois Finance Authority (the “Authority”), consistent with the Authority’s designation as the Climate Bank of the State of Illinois under Illinois law, will hold an agency listening session regarding the Inflation Reduction Act which amended the Clean Air Act to create a new program through the United States Environmental Protection Agency: the Greenhouse Gas Reduction Fund (the “GGRF”). This first-of-its-kind federal program will provide competitive grants to mobilize financing and leverage private capital for clean energy and climate projects that reduce greenhouse gas emissions – with an emphasis on projects that benefit low-income and disadvantaged communities – and further the Biden-Harris Administration’s commitment to environmental justice. The agency listening session will be held in the Authority’s Chicago Office, 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601 on **Thursday, November 10, 2022, at 11:00 a.m.**

In my view, the GGRF purposes are consistent with the purposes of the Illinois Climate and Equitable Jobs Act or CEJA, specifically its goals of:

- putting 1 million Electric Vehicles on Illinois roads by 2030;
- reaching 100% clean energy in Illinois by 2050; and
- while prioritizing job creation-training-placement reflecting the diversity of Illinois.

Notice was posted on November 4, 2022 consistent with Authority practice. Efforts were made to inform interested stakeholders.

### ***Environmental Finance Advisory Board (“EFAB”)***

Relevant dates as posted on the EFAB website (<https://www.epa.gov/waterfinancecenter/efab>), including the following:

- 11/01/22 EPA National Listening Session 1
- 11/09/22 EPA National Listening Session 2
- 12/5/2022 responses due to EPA Request for Information (RFI)
- Additional EFAB Public Meetings: 10/18-19; 11-17; 12-1; 12-15/2022
- 12/15/2022 EPA receives EFAB Recommendations
- TBD Applications due to EPA
- 2/12/2023 through 09/30/2024 anticipated EPA deployment of GGRF funds



### ***GGRF Website***

The following information is posted on the GGRF website (<https://www.epa.gov/inflation-reduction-act/greenhouse-gas-reduction-fund>):

“The Greenhouse Gas Reduction Fund is an unprecedented opportunity to accelerate the adoption of greenhouse gas reducing technologies and position the United States to compete and win the 21st century economy.” --EPA Administrator Michael S. Regan.

The Greenhouse Gas Reduction Fund provides \$27 billion to EPA for expenditure until September 30, 2024. This includes:

\$7 billion for competitive grants to enable low-income and disadvantaged communities to deploy or benefit from zero-emission technologies, including distributed technologies on residential rooftops;

Nearly \$12 billion for competitive grants to eligible entities to provide financial and technical assistance to projects that reduce or avoid greenhouse gas emissions; and

\$8 billion for competitive grants to eligible entities to provide financial and technical assistance to projects that reduce or avoid greenhouse gas emissions in low-income and disadvantaged communities.

EPA is launching a coordinated stakeholder engagement strategy to help shape the implementation of the Greenhouse Gas Reduction Fund and ensure the full economic and environmental benefits of this historic investment are realized by all Americans.”

### ***Controlling Federal Statute***

H.R. 5376: *excerpt of Inflation Reduction Act of 2022*, pp. 248-250

SEC. 60103. GREENHOUSE GAS REDUCTION FUND.

The Clean Air Act is amended by inserting after section 133 of such Act, as added by section 60102 of this Act, the following:

“SEC. 134. GREENHOUSE GAS REDUCTION FUND.

“(a) APPROPRIATIONS.—

“(1) ZERO-EMISSION TECHNOLOGIES.—In addition to amounts otherwise available, there is appropriated to the Administrator for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$7,000,000,000, to remain available until September 30, 2024, to make grants, on a competitive basis and beginning not later than

180 calendar days after the date of enactment of this section, to States, municipalities, Tribal governments, and eligible recipients for the purposes of providing grants, loans, or other forms of financial assistance, as well as technical assistance, to enable low-income and disadvantaged communities to deploy or benefit from zero-emission technologies, including distributed technologies on residential rooftops, and to carry out other greenhouse gas emission reduction activities, as determined appropriate by the Administrator in accordance with this section.

“(2) GENERAL ASSISTANCE.—In addition to amounts otherwise available, there is appropriated to the Administrator for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$11,970,000,000, to remain available until September 30, 2024, to make grants, on a competitive basis and beginning not later than 180 calendar days after the date of enactment of this section, to eligible recipients for the purposes of providing financial assistance and technical assistance in accordance with subsection (b).

“(3) LOW-INCOME AND DISADVANTAGED COMMUNITIES.—In addition to amounts otherwise available, there is appropriated to the Administrator for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$8,000,000,000, to remain available until September 30, 2024, to make grants, on a competitive basis and beginning not later than 180 calendar days after the date of enactment of this section, to eligible recipients for the purposes of providing financial assistance and technical assistance in low-income and disadvantaged communities in accordance with subsection (b).

“(4) ADMINISTRATIVE COSTS.—In addition to amounts otherwise available, there is appropriated to the Administrator for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$30,000,000, to remain available until September 30, 2031, for the administrative costs necessary to carry out activities under this section.

“(b) USE OF FUNDS.—An eligible recipient that receives a grant pursuant to subsection (a) shall use the grant in accordance with the following:

“(1) DIRECT INVESTMENT.—The eligible recipient shall—

“(A) provide financial assistance to qualified projects at the national, regional, State, and local levels;

“(B) prioritize investment in qualified projects that would otherwise lack access to financing; and

“(C) retain, manage, recycle, and monetize all repayments and other revenue received from fees, interest, repaid loans, and all other types of financial assistance provided using grant funds under this section to ensure continued operability.

“(2) INDIRECT INVESTMENT.—The eligible recipient shall provide funding and technical assistance to establish new or support existing public, quasi-public, not-for-profit, or nonprofit entities that provide financial assistance to qualified projects at the State, local, territorial, or Tribal level or in the District of Columbia, including community- and low-income-focused lenders and capital providers.

“(c) DEFINITIONS.—In this section:

“(1) ELIGIBLE RECIPIENT.—The term ‘eligible recipient’ means a nonprofit organization that—

“(A) is designed to provide capital, leverage private capital, and provide other forms of financial assistance for the rapid deployment of low – and zero-emission products, technologies, and services;

“(B) does not take deposits other than deposits from repayments and other revenue received from financial assistance provided using grants funds under this section;

“(C) is funded by public or charitable contributions; and

“(D) invests in or finances projects alone or in conjunction with other investors.

“(2) GREENHOUSE GAS.—The term ‘greenhouse gas’ means the air pollutants carbon dioxide, hydrofluorocarbons, methane, nitrous oxide, perfluorocarbons, and sulfur hexafluoride.

“(3) QUALIFIED PROJECT.—The term ‘qualified project’ includes any project, activity, or technology that—

“(A) reduces or avoids greenhouse gas emissions and other forms of air pollution in partnership with, and by leveraging investment from, the private sector; or

“(B) assists communities in the efforts of those communities to reduce or avoid greenhouse gas emissions and other forms of air pollution.

“(4) ZERO-EMISSION TECHNOLOGY.—The term ‘zero-emission technology’ means any technology that produces zero emissions of—

“(A) any air pollutant that is listed pursuant to section 108(a) (or any precursor to such an air pollutant); and

“(B) any greenhouse gas.”.