

**ILLINOIS
FINANCE
AUTHORITY.**



**ILLINOIS
CLIMATE
BANK**

APRIL 2024



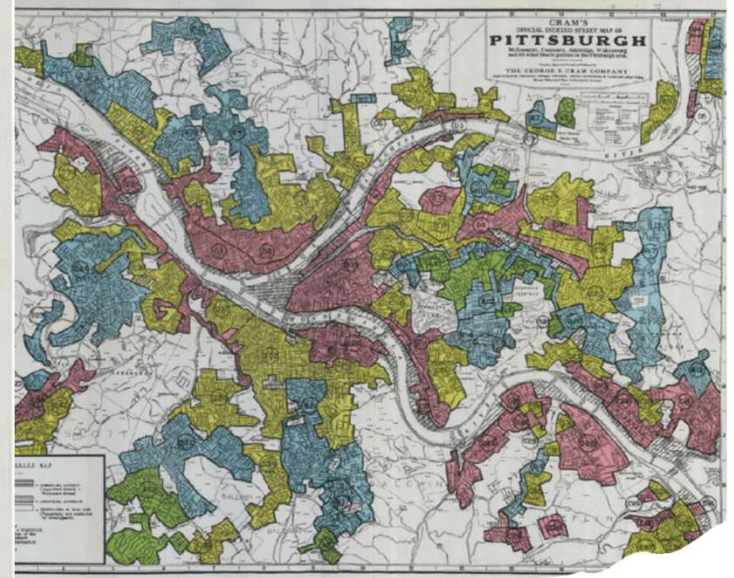
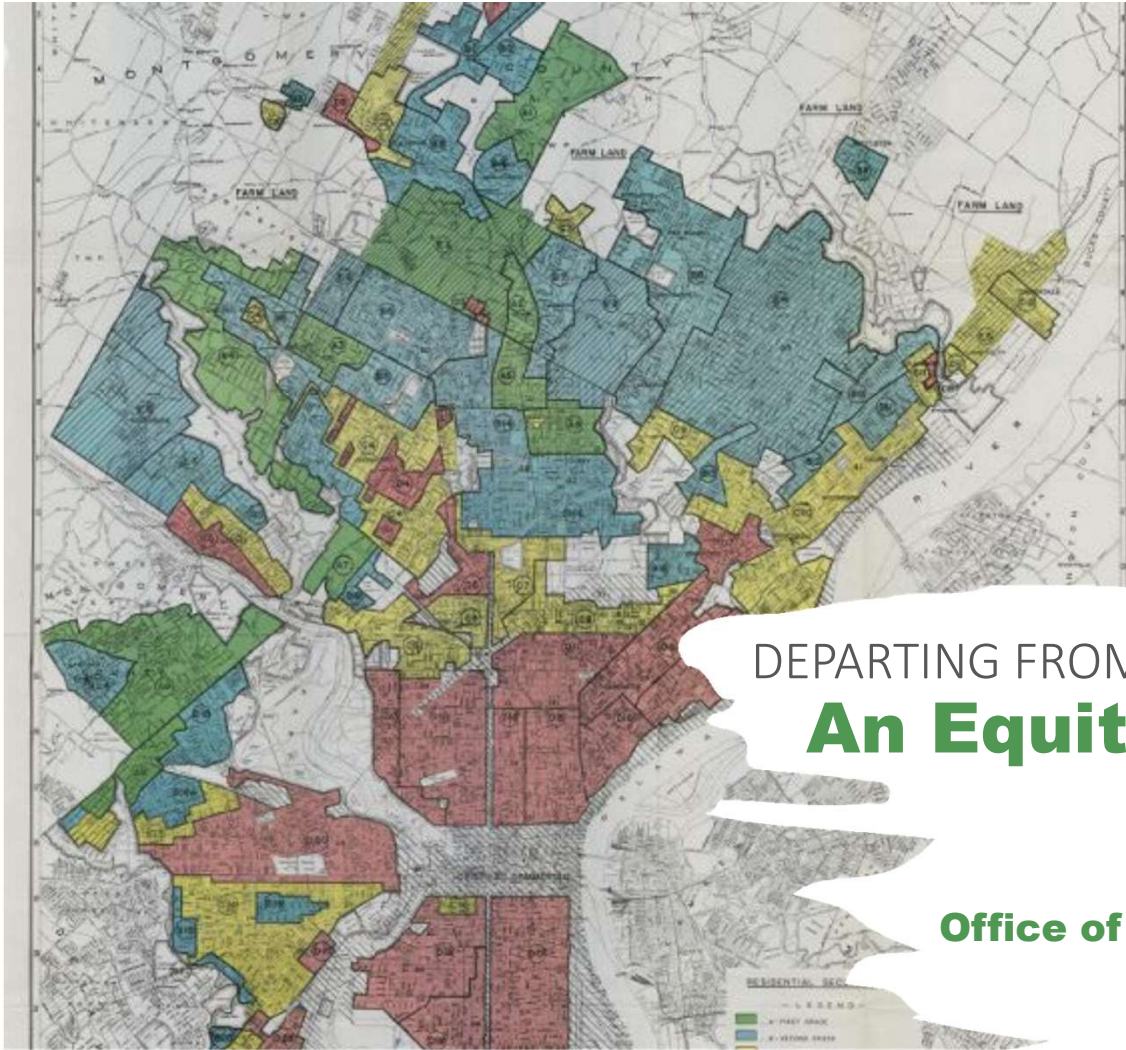


THE IFA WAS DESIGNATED AS THE CLIMATE BANK BY CEJA



CLIMATE BANK PURPOSE

- (1) the distribution of the benefits of clean energy in an equitable manner;
 - (2) making clean energy accessible to all; and
 - (3) accelerating the investment of private capital into clean energy projects in a manner reflective of the geographic, racial, ethnic, gender, and income-level diversity of the State.
- Climate & Equitable Jobs Act,
2021 (20 ILCS 3501/850-15)



DEPARTING FROM RACE & REDLINING:

An Equitable Energy Future

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Deputy Chief of Staff

Office of Economic Impact and Diversity

September 28, 2022



U.S. DEPARTMENT OF
ENERGY

OFFICE OF
ECONOMIC IMPACT AND DIVERSITY

USEPA GREENHOUSE GAS REDUCTION FUND: SOLAR FOR ALL COMPETITION ILLINOIS' APPROACH



\$156,120,000
federal funding

The State of Illinois was awarded the maximum amount of funding available to the State under the GGRF Solar for All competition: \$156 million over the 5-year program period.



aligned
with CEJA and IL policy

The State's efforts are designed to support, complement, and integrate with Illinois' nation-leading Solar for All and related policies, as established through the Climate and Equitable Jobs Act (CEJA).

ILLINOIS CLIMATE BANK MORE THAN OUR FAIR SHARE



aligned
with CEJA and IL policy

AWARDED



\$156 million

Solar for All

Illinois Climate Bank was awarded the maximum amount of funding available to the State under the US Environmental Protection Agency's GGRF Solar for All competition to expand and enhance Illinois Solar for All.

AWARDED



\$100+ million

National Clean Investment Fund

Illinois Climate Bank is pursuing funds million under the US Environmental Protection Agency's GGRF NCIF competition for new climate finance tools to support vehicle and building electrification, clean energy, and more.

AWARDED



\$14 million

Revolving Loan Fund

Illinois Climate Bank will receive about \$14 million to launch a revolving loan fund to support energy efficient buildings and on-site solar.

AWARDED



\$15 million

Charging and Fueling Infrastructure

Illinois Climate Bank was awarded \$15 million from US Department of Transportation to deploy EV charging infrastructure in 200 locations across the State.

AWARDED



\$16 million

Grid Resilience Grants

Illinois Climate Bank was awarded \$16 million from US Department of Energy to support grid resilience initiatives in disadvantaged communities in Illinois.

ILLINOIS CLIMATE BANK
**EXCEPTIONAL
ALIGNMENT:**

**BIL, IRA, and
CEJA**

The Illinois Climate Bank integrates five key elements when pursuing funding and developing new initiatives:



PARTNERSHIPS



QUANTIFIABLE PROGRESS ON CLIMATE



BUILD IT HERE (USA/ILLINOIS)



JUSTICE40 BENEFITS & INVOLVEMENT



LABOR INVOLVEMENT & PARTICIPATION

ILLINOIS CLIMATE BANK
**WANT TO WORK
WITH US?
DO THIS FIRST:**



- Find out more about Illinois Finance Authority / Illinois Climate Bank work: <https://www.il-fa.com/programs/cb>
- Find out more about Illinois Power Agency's Illinois Solar for All and Illinois Shines efforts:
 - Illinois Shines: <https://illinoisshines.com/>
 - Illinois SFA: <https://www.illinoissfa.com/>
- Vendor? Register in BidBuy: <https://www.bidbuy.illinois.gov/bs/>
- Vendor that is a business owned by minorities, women, and persons with disabilities? Get certified through the State of Illinois Commission on Equity and Inclusion: <https://cei.illinois.gov/>

USEPA GREENHOUSE GAS REDUCTION FUND: SOLAR FOR ALL COMPETITION DESIGNED FROM STAKEHOLDER INPUT



INTERAGENCY COLLABORATION:

IFA, ICC, DCEO, IL EPA, IPA, IHDA, IDOT, DNR

STAKEHOLDER COLLABORATION

(More than 175 different entities)

- November 2022: GGRF Stakeholder Listening Session
- Small Group Meetings
- April: GGRF Ideas Workshop
- April/May: Local Government Engagement on Grid Resilience and EV infrastructure
- April/May: CDFI Engagement on GGRF
- July: Stakeholder Session on GGRF Solar for All
- July: Stakeholder Session on GGRF NCIF
- September: Stakeholder Session on GGRF Solar for All

STATE OF ILLINOIS | ILLINOIS CLIMATE BANK SUMMARY OF INPUT RECEIVED

Q: What are some of the biggest hurdles disadvantaged communities and businesses face in accessing the clean energy economy?



Single family homes/residents

- Low-income projects can't access ITC.
- Low-income homes require significant upgrades.
- Lack of ownership of homes for LMI.
- LMI skepticism and lack of trust in energy system.
- High cost of customer acquisition
- Smaller companies can't get capital to scale.



Multifamily build./residents

- Difficult to develop solutions for renters.
- No focus on landlords.
- Split incentives.
- Metering issues.
- Limited space.
- Coordination is labor-intensive



Commercial/Public buildings/tenants

- No loans for smaller projects.
- High upfront costs for consultants/assessments.
- High upfront costs for schools.
- No finance structure for roof replacement.
- Local governments don't have capital for infrastructure.
- Partnership flip model is expensive.
- Municipal buildings stuck behind franchise agreements



BIPOC Businesses

- Lack of \$\$ to BIPOC contractors, black women contractors.
- Lack of capital for construction phase.
- Time gap until REC payments.
- Lack of knowledge of opportunities.
- Lack of back-office.
- Can't offer tax equity finance product.
- Securing bonds.
- Underwriting depends on historical revenue.
- Lumpy revenue.

DISTRIBUTED GENERATION

MEANINGFUL BENEFITS PLAN

The State's GGRF Solar for All proposal must demonstrate how its new programs and initiatives will enable low-income and disadvantaged communities to deploy or benefit from solar.

The US EPA defines "benefit" as the five elements described here.



20%
electric bill savings

The effort will have to deliver a minimum 20% of household savings to program beneficiaries, which is defined as the dollar equivalent of a 20% reduction in the average household electricity bill for the State: **\$296/yr.**



access
to solar

The effort is focused on increasing low-income and disadvantaged households' access to solar through financing products and deployment.



12-hour
resilience

Benefits can include developing capacity that can deliver power to low-income and disadvantaged households and/or critical facilities during a grid outage. For this effort, the State will target 12-hours of backup capacity for resilience benefits.



ownership
and wealth-building

The program should facilitate ownership models that allow for low-income households and disadvantaged communities to access the additional economic benefits of asset ownership.

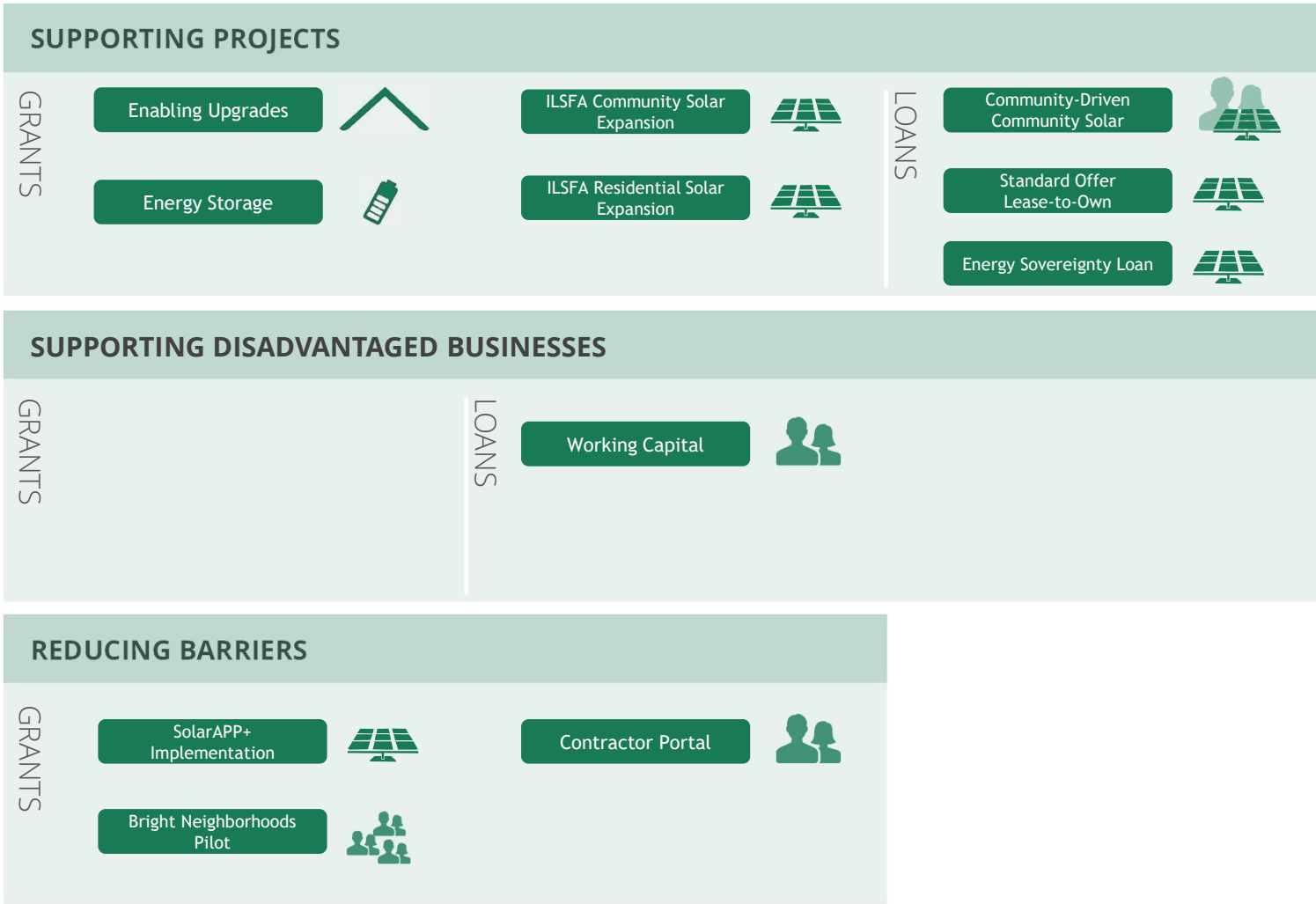


grow
quality jobs and businesses

The program design should support high-quality jobs and businesses in low-income and disadvantaged communities through good wages, workforce training, and prioritizing WBEs and MBEs.

COMPREHENSIVE APPROACH

The State's GGRF Solar for All proposal will address several market gaps identified by stakeholders that are inhibiting effective Solar for All deployment or the achievement of equitable outcomes in the State's existing solar and related programs.



Enabling Upgrades

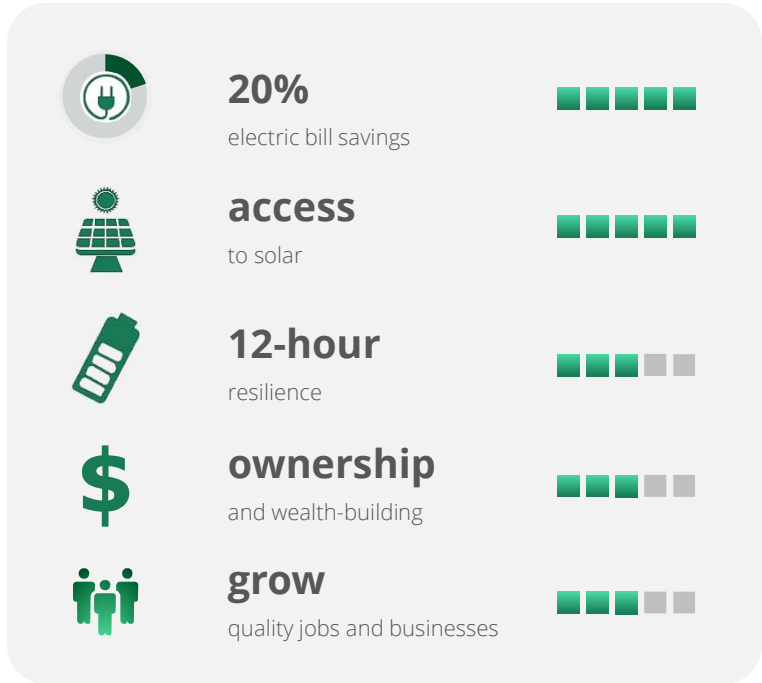


SUMMARY

The Illinois Climate Bank will work with the Illinois Power Agency to deploy a Solar for All Enabling Upgrades grant program. The Enabling Upgrades grant program will provide up to \$12,000 per household to address necessary deferred maintenance, health & safety repairs, or electrical panel upgrades necessary to install a solar photovoltaic system and, optionally, an energy storage system at a household in low-income or disadvantaged community.

The Enabling Upgrades grant program will be offered alongside Illinois Solar for All REC incentives and expand upon the Home Repair and Upgrade pilot launched by the Illinois Power Agency.

The program will work to ensure projects maximize all available rebates offered by utilities or as a result of the Inflation Reduction Act.



GRANT PROGRAM

up to \$12,000

grants for enabling upgrades for residential solar

key elements

- Enabling upgrades must support the deployment of solar for households in low-income or disadvantaged communities
- Projects supported could be electrical panel upgrades, roof repairs, mold and asbestos abatement, or other investments necessary to enable the deployment of the solar photovoltaic project
- Leverages IL Solar for All incentives for residential sub-program

Energy Storage



SUMMARY

The Illinois Climate Bank will work with the Illinois Power Agency to deploy a Solar for All Energy Storage grant program. The Energy Storage grant program will provide up to \$7,500 per household to add energy storage to solar photovoltaic systems for households located in low-income or disadvantaged communities.

Energy storage systems will be encouraged to be designed to work in concert with a solar array to provide a resilient source of power for the residence for 12 hours during an extreme heat or cold event or other grid outage.

The amount of the incentive will be dependent on the size of the energy storage system (in kW and kWh), and will coordinate with any distributed generation rebate incentives offered utilities and accepted by customers.

Priority will be given to eligible households in which there lives a person reliant on electricity-dependent durable medical and assistive equipment (DME) and devices.

	20% electric bill savings	
	access to solar	
	12-hour resilience	
	ownership and wealth-building	
	grow quality jobs and businesses	

GRANT PROGRAM

up to \$7,500

grants for enabling energy storage additions to residential Solar for All

key elements

- Energy storage must be paired with the deployment of solar for households in low-income or disadvantaged communities
- Leverages IL Solar for All incentives for residential sub-program

ILSFA Community Solar Expansion



ILSFA Residential Solar Expansion

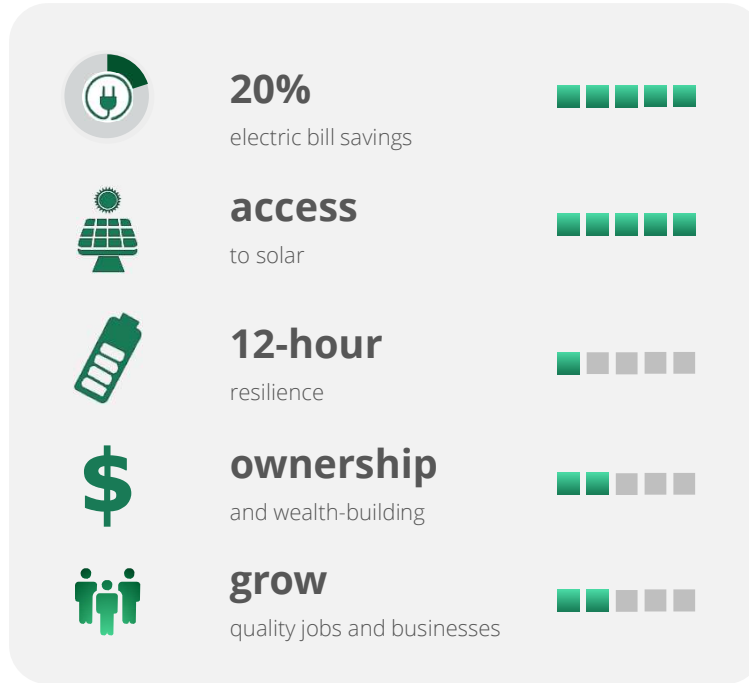


SUMMARY

The Illinois Climate Bank will work with the Illinois Power Agency to expand Illinois' Solar for All low-income Community Solar Program to meet unmet demand for community solar projects serving low-income and disadvantaged communities.

As other incentives are effective at filling the residential solar capacity, the Illinois Solar for All residential program will be able to expand as well.

The Illinois Solar for All Program provides REC contracts for projects that provide 50% savings to low-income households, which already exceeds the benefit required in the USEPA Solar for All program.



REC PROGRAM

\$75-175 / REC average

for the Low-income Residential Solar Sub-program

\$80 / REC average

for the Low-income Community Solar Sub-program

key elements

- Projects must provide 50% savings to subscribers
- Expands on IL Solar for All incentives for low-income community solar sub-program

Bright Neighborhoods Pilot

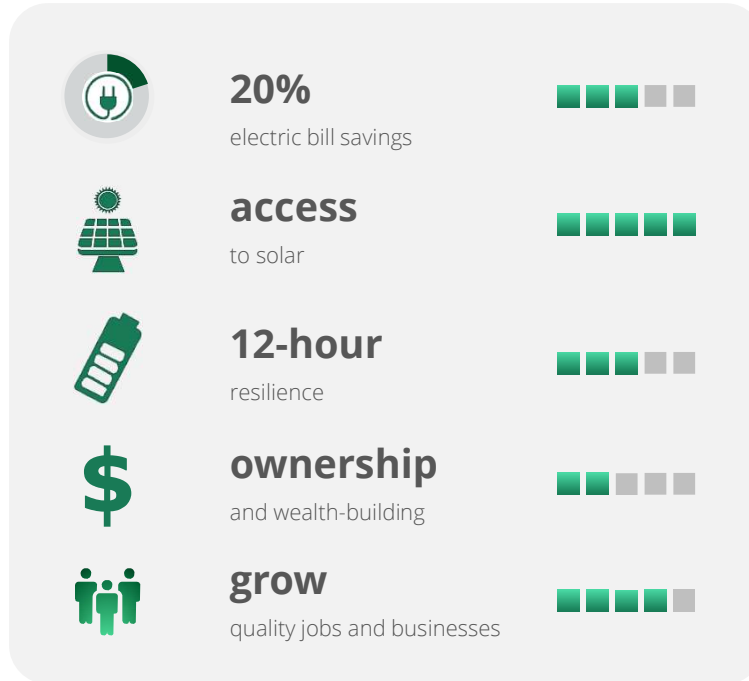


SUMMARY

The Illinois Climate Bank will work with the Illinois Power Agency to expand its Bright Neighborhoods Solar Pilot to focus on increasing participation in the Illinois Solar for All: Residential Solar (Small) sub-program, with focused marketing, public outreach, public interactions, income verification, and an initial site suitability assessment for small residential distributed generation projects in targeted Pilot communities.

Low-income and disadvantaged community households and companies have reported several barriers to participation in this sub-program, including unfamiliarity with solar power, distrust in marketers, language barriers, and a complex administrative process. The Bright Neighborhoods Pilot is designed to reduce these barriers and to test a more vertically-integrated model for facilitating uptake of Residential Solar in 1-4 unit residential buildings.

The Pilot is launching in three initial communities, and expanded funding will support the expansion of this effort to 12 communities.



GRANT PROGRAM

up to \$500,000/yr

grants per target community for engagement and coordination efforts

key elements

- Engaging local, trusted, entities to coordinate solar outreach activities for a targeted geographical area
- Marketing, outreach, income verification, and site suitability assessments
- Build long-term trust

**Standard Offer
Lease-to-own**



SUMMARY

The Illinois Climate Bank will launch a standard-offer Lease / Lease-to-own product(s) that would provide simple, easy-to-access financing for smaller and new solar contractors to offer to residential solar customers.

Many new or small disadvantaged businesses lack the ability to compete with larger solar developers due to their inability offer an in-house loan, PPA or Lease product that can provide customers with a contract for no-upfront cost solar installations or guaranteed savings.

Climate banks across the country have developed similar consumer finance tools (for example, the SMART-E loan program in Connecticut), that have been successful at expanding equitable access to solar and support the growth of quality jobs and businesses.

	20% electric bill savings	
	access to solar	
	12-hour resilience	
	ownership and wealth-building	
	grow quality jobs and businesses	

LOAN PROGRAM

\$5,000 – \$50,000

finance arrangements per customer

key elements

- Projects must be eligible for the Illinois Solar for All residential program, or otherwise eligible for Illinois Shines incentives and benefit a household in a low-income or disadvantaged community
- Loan terms designed to work seamlessly with Illinois solar incentives and federal tax credits

Community-Driven Community Solar



SUMMARY

The Illinois Climate Bank will collaborate with community-based organizations to develop a loan products that enable the growth of Community-Driven Community Solar projects that are organized by and designed to benefits communities.

Under CEJA, such community solar projects compete for incentives under the Illinois Shines program, and are required to provide defined community benefit, such as community ownership or wealth-building opportunities.

The Illinois Climate Bank will help fill in the gaps of access to low-cost capital for these projects to allow them to compete with traditional community solar projects and enable innovative financing structures to support long-term ownership and wealth-building.



20%

electric bill savings



access

to solar



12-hour

resilience



ownership

and wealth-building



grow

quality jobs and businesses



LOAN PROGRAM

\$500,000 – \$3,000,000

loans for community-driven community solar projects incentivized under Illinois Shines

3 – 5 projects/yr

supported, with funds recycled to expand to additional businesses

key elements

- Projects must be selected for funding under Illinois Shines
- Projects must include a community ownership or wealth-building structure
- Enables community-driven community solar projects to compete with more traditional community solar
- Loan terms designed to work seamlessly with Illinois solar incentives and federal tax credits

Energy Sovereignty Loan

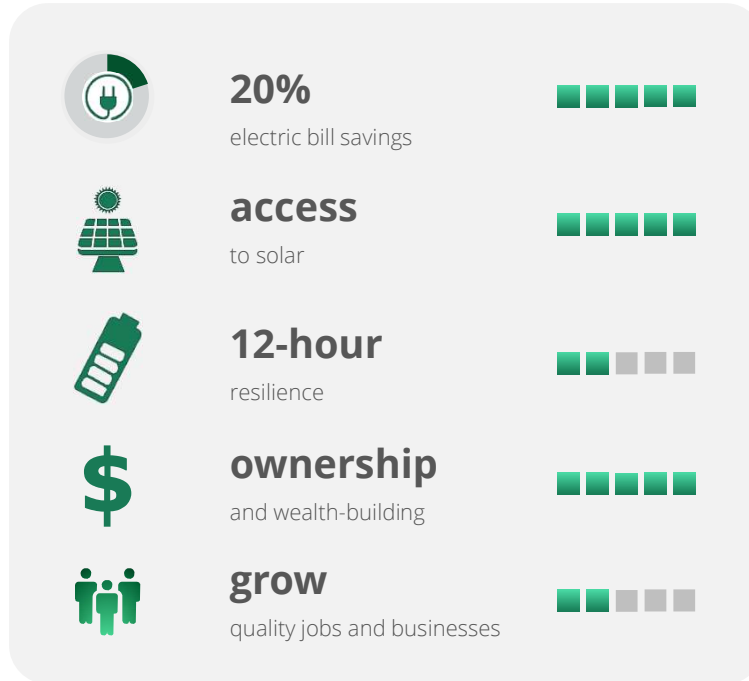


SUMMARY

The Illinois Climate Bank will launch a standard-offer Energy Sovereignty loan product that would provide very low-cost, debt financing for residential solar customers accessing the energy sovereignty provisions of the Illinois Solar for All Program that is simple and easy-to-access.

The new energy sovereignty provisions in CEJA support ownership and wealth-building opportunities for low-income and disadvantaged community households by encouraging and incentivizing long-term ownership of systems. Such households, however, often lack sufficient credit to qualify for loans.

Climate banks across the country have developed similar consumer finance tools (for example, the SMART-E loan program in Connecticut), that have been successful at expanding equitable access to solar and support the growth of quality jobs and businesses.



LOAN PROGRAM

\$5,000 – \$50,000

finance arrangements per customer

key elements

- Projects must be eligible for the energy sovereignty category of the Illinois Solar for All residential program, or otherwise eligible for Illinois Shines incentives and benefit a household in a low-income or disadvantaged community
- Loan rate at significantly below-market rates
- Loan terms designed to work seamlessly with Illinois solar incentives and federal tax credits
- Loan repayments would recycle back into the fund to be leveraged for future projects

Contractor Portal



SUMMARY

The Illinois Climate Bank will work with Illinois Department of Commerce and Economic Opportunity, the State agency administering CEJA's workforce and contractor development initiatives, to support the development of a single portal targeted at supporting new and emerging disadvantaged businesses' ability to access various support opportunities. The contractor portal will be designed to share information across agencies to streamline application processes and reduce administrative burdens in accessing grant and loan offerings.

A non-exhaustive list of coordinated processes includes:

- Illinois Climate Bank Loans
- Equitable Energy Future Grant Program
- Contractor Incubator and Primes Accelerator Opportunities



20%

electric bill savings



access

to solar



12-hour

resilience



ownership

and wealth-building



grow

quality jobs and businesses



GRANT / CONTRACT

single portal/application

to help coordinate disparate efforts supporting new and emerging disadvantaged businesses involved in low-income and disadvantaged community solar

key elements

- Share application and credential information across state agencies
- Track contractor support from various sources
- Contractor education, engagement, and recruitment

Working Capital

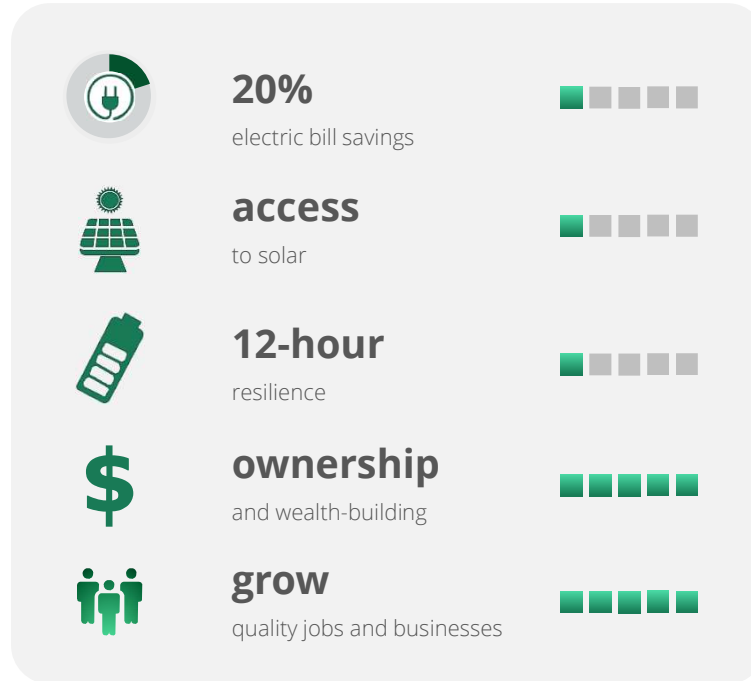


SUMMARY

The Illinois Climate Bank will deploy a new working capital product to help accelerate the Jobs and Justice goals of CEJA by focusing on building the capacity of these businesses and to cover finance gaps in clean energy projects.

The working capital loan product will provide low-cost loans to small contractors engaged in the Solar for All program to enable them to grow beyond the limitations of a cash business and support organizational development.

Eligible contractors will be required to be approved vendors under Illinois Shines, or similar vendor programs, and involved in the installation of solar photovoltaic systems, energy storage systems, electrical panel upgrades, or other residential enabling upgrades.



LOAN PROGRAM

\$50,000 – \$1,000,000

loans for working capital to disadvantaged small businesses

10 – 15 businesses/yr

supported, with funds recycled to expand to additional businesses

key elements

- Businesses must be supporting the deployment of Solar for All projects, including solar installation, energy storage installation, and enabling upgrades.
- Enables contractors to expand beyond cash-flow constraints.
- Supports project development costs as well as back-office needs.

Solar APP+

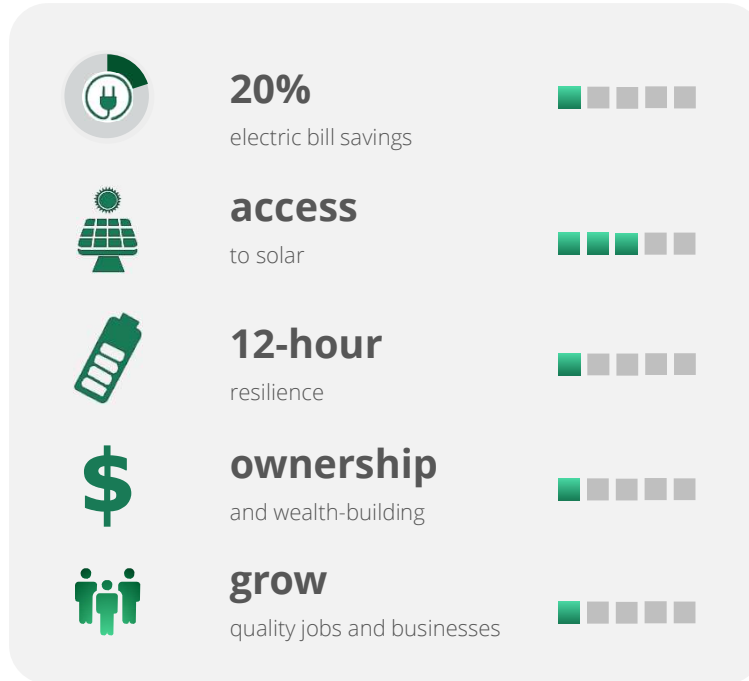


SUMMARY

The Illinois Climate Bank will support local governments in streamlining solar permitting by providing grants for the adoption of the SolarAPP+ to local governments.

SolarAPP+ is an online permitting platform that automates rooftop solar plan reviews and produces instant compliant approvals at a local government.

As the amount of solar projects grow, local governments can become overwhelmed with the workload and project approvals can be delayed.



GRANT PROGRAM

~ \$20,000

grants to local governments to support implementation and training on Solar APP+

key elements

- Local government must adopt Solar APP+
- Statewide coordination and learnings
- Simple grant process from Illinois Climate Bank

ILLINOIS CLIMATE BANK
**WANT TO WORK
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We want to hear from you!

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