

**ILLINOIS
FINANCE
AUTHORITY.**



**ILLINOIS
CLIMATE
BANK**

WORKING DRAFT - February 9, 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)

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



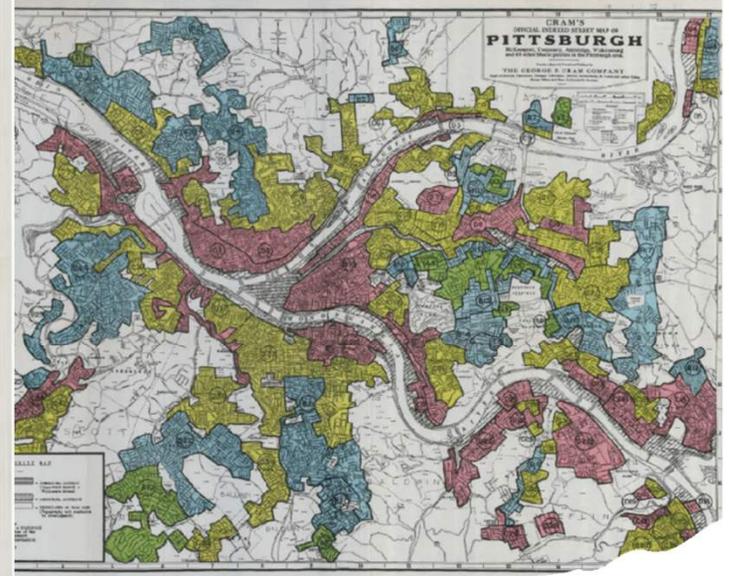
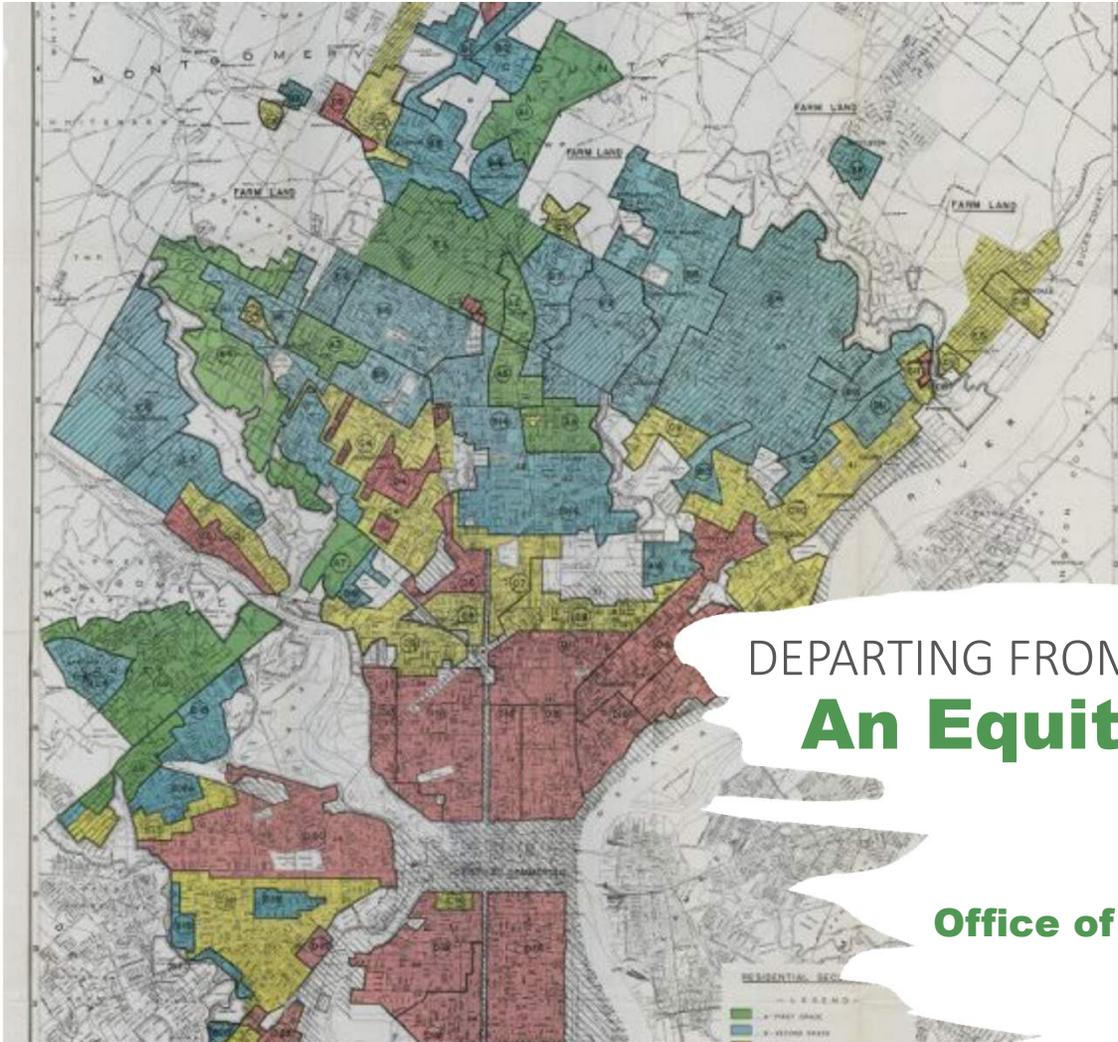
BUILD IT HERE (USA/ILLINOIS)



JUSTICE40 BENEFITS & INVOLVEMENT



LABOR INVOLVEMENT & PARTICIPATION



DEPARTING FROM RACE & REDLINING:

An Equitable Energy Future

Yasmin Yacoby

Deputy Chief of Staff

Office of Economic Impact and Diversity

September 28, 2022



U.S. DEPARTMENT OF
ENERGY

OFFICE OF
ECONOMIC IMPACT AND DIVERSITY

ILLINOIS CLIMATE BANK MORE THAN OUR FAIR SHARE



aligned
with CEJA and IL policy



\$250 million

Solar for All

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



\$300 million

National Clean Investment Fund

Illinois Climate Bank is pursuing \$300 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.



\$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.



\$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.



\$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.



\$250 million

Grid Resilience Innovation Partnerships (GRIP)

Illinois Climate Bank is submitting a proposal to US Department of Energy for \$250 million to support the growth of flexible electric load to help address resource adequacy.

ILLINOIS CLIMATE BANK CHARGING AND FUELING INFRASTRUCTURE

key
UPDATE



\$15 million

Charging and Fueling
Infrastructure

Illinois Climate Bank was awarded \$15 million from US Department of Transportation to deploy EV charging infrastructure in 250+ locations across the State.

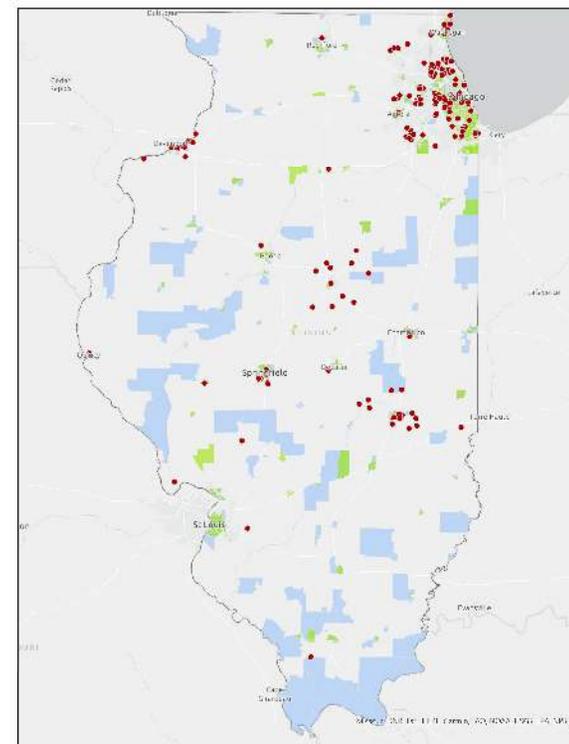
Community Charging Program:

- 63% in dense urban communities and rural small towns.
- 43% in disadvantaged communities.
- Mix of level 2 and DC fast charge.



PARTNERSHIPS

- Counties, cities, rural electric co-ops, park districts, colleges, and more.
- Local planning + Statewide coordination



* Preliminary locations: Subject to US DOT negotiations, site finalization, and local cost share.

ILLINOIS CLIMATE BANK GRID RESILIENCE GRANTS

key
UPDATE

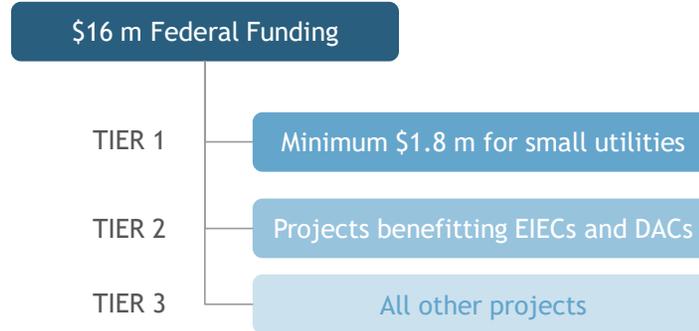


\$16 million

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.

2024 - First wave of grants



- RFI released this week
- Request for Projects opens mid-February



COMMUNITY
RESILIENCE HUBS



CRITICAL FACILITY
MICROGRIDS



EMERGENCY
EQUIPMENT SHARE



COMMUNITY-DRIVEN
INITIATIVES



REPLICABLE
INNOVATIVE PILOTS

ILLINOIS CLIMATE BANK

Public Act 103-0187

key UPDATE

Public Act 103-0187

(Also known as HB 3340 | Burke/Delgado/Egofske/Meyers-Martin)

Became law on January 1, 2024, and made it easier for municipalities to borrow directly from IFA/Climate Bank. This is essential for new solar, building, and EV loan offerings being developed by the Illinois Climate Bank.

We are working to expand this to other units of local government.

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

OUR APPROACH

Illinois Climate Bank's initiatives will address several market gaps identified by stakeholders that are inhibiting effective clean energy deployment or the achievement of equitable outcomes in the State's solar, building, and EV initiatives.

Residential (low-income)



GRANTS

Enabling Upgrades for Solar



Energy Storage



Bright Neighborhoods Pilot



FINANCE

Standard Offer Lease-to-Own



Energy Sovereignty Loan



Public / Non-Profit



GRANTS

Community Resilience Hubs



Grid Resilience



Community Charging



FINANCE

Federal Tax Credit / REC Bridge Loans



Fleet Electrification



Carbon Free Schools



Commercial



FINANCE

C-PACE



Fleet Electrification



Building Electrification



BIPOC Businesses



FINANCE

Working Capital



SSBCI



Community-Driven Community Solar



Contractor Portal



ILLINOIS CLIMATE BANK ANTICIPATED 2024 TIMELINE

NOW

C-PACE



SSBCI



MARCH

Community Resilience Hubs



Grid Resilience



Community Charging



JULY

Federal Tax Credit / REC Bridge Loans



Working Capital



Fleet Electrification



Community-Driven Community Solar



Enabling Upgrades for Solar



Energy Storage



Bright Neighborhoods Pilot



Standard Offer Lease-to-Own



Energy Sovereignty Loan



Building Electrification



Contractor Portal



WHAT YOU CAN DO TODAY

- If you are a business wanting to work with the State - register in BidBuy: bidbuy.illinois.gov/bs0/view/login/login.xhtml
- If you are a business wanting to work with the State, you should thoroughly understand the Commission on Equity & Inclusion (CEI), the Business Enterprise Program (BEP), and the Veterans Business Program (VBP): [Business Enterprise Program \(BEP\) \(illinois.gov\)](https://businessenterprise.illinois.gov)
- **Commercial Property Assessed Clean Energy:** Adopt a standardized local ordinance. More information at: <https://www.il-fa.com/programs/c-pace>
- **Grid Resilience Grants:** Respond to RFI, which will be available this week at: <https://www.il-fa.com/>
- **SSBCI:** Coordinate with your lender, and reach out to: *Evans Joseph*, ejoseph@il-fa.com
- **DCEO CEJA programs:** Submit applications for Illinois Clean Jobs Workforce Network Program, Illinois Energy Transition Navigator Program, Equitable Energy Future Grant Program at: <https://dceo.illinois.gov/ceja.html>

WHAT DOES THIS LOOK LIKE FOR LOW-INCOME SOLAR?

Residential (low-income)

- GRANTS
- Enabling Upgrades for Solar 
 - Energy Storage 
 - Bright Neighborhoods Pilot 

- FINANCE
- Standard Offer Lease-to-Own 
 - Energy Sovereignty Loan 

GRANTS

UP TO \$12,000 **GGRF**

Enabling upgrades such as electrical panel upgrades, roof repairs, mold and asbestos abatement, or other investments necessary to enable the deployment of the solar photovoltaic project

UP TO \$7,500 **GGRF**

Energy storage in concert with a solar array to provide a resilient source of power for the residence during an extreme heat or cold event or other grid outage

IPA ILSFA REC CONTRACTS

~\$17,000 - \$27,000 **CEJA**

Incentives available today under IL Solar for All program.

FINANCE

~\$15,000 - \$50,000 **GGRF**

New easy-to-access loan program or lease to own program offered by Illinois Climate Bank to support ownership and wealth-building.

WHAT DOES THIS LOOK LIKE FOR PUBLIC/NON-PROFIT SOLAR?

Public /
Non-Profit



GRANTS

IRA ITC – Elective Pay

\$22,500 - \$6,000,000

IRA

New availability of elective pay for federal Solar Investment Tax Credit allows public entities and non-profits to qualify for 30-40% cash back on solar investments.

IPA ABP REC CONTRACTS

\$25,000 - \$3,000,000

CEJA

Example incentives available today under IL Adjustable Block Program.

FINANCE

Federal Tax Credit /
REC Bridge Loans



Carbon Free Schools



FINANCE

**\$75,000 -
\$15,000,000**

GGRF

New 6 to 18-month low-cost bridge loan program offered by Illinois Climate Bank for public entities and non-profits for federal tax credits and IPA REC payments. Removes the need for capital budgeting.

New 20-year loan program offered by Illinois Climate Bank specifically-designed for Carbon Free Schools.



WHAT DOES THIS LOOK LIKE FOR BIPOC BUSINESSES?

DCEO ENERGY TRANSITION

range **CEJA**

New **grants** for contractor, business, and project investments from DCEO, created under CEJA.

FINANCE

\$50,000 - \$1,000,000 **EERLF**
GGRF

New Working Capital loans provided by Illinois Climate Bank to build capacity of new BIPOC businesses and cover finance gaps.

\$25,000 - \$2,000,000 **SSBCI**

Launched in 2023, the new State Small Business Credit Initiative 2.0 helps socially and economically disadvantaged businesses get better access and lower interest rates for loans to grow.

\$500,000 - \$10,000,000 **GGRF**

The Illinois Climate Bank will collaborate to provide lower-cost and flexible loans for community-driven community solar projects that build solar owned and driven by community members within CEJA's new solar incentives.

FINANCE

Working Capital



SSBCI



Community-Driven
Community Solar



WHAT DOES THIS LOOK LIKE FOR PUBLIC CHARGING?

Public / Non-Profit



GRANTS

Community Charging



GRANTS

250 + sites

CFI

20% cost-share

More than 250 locations across the state will be up for US Department of Transportation grant funding under the charging and fueling infrastructure discretionary grant program.

UTILITY BENEFICIAL ELECTRIFICATION PLANS

TBD

CEJA

Rebates and grid upgrades

FINANCE

Fleet Electrification



FINANCE

~\$30,000 - \$2,000,000

GGRF

New revolving loan fund for charging infrastructure to support:

- Charging equipment + Installation
- Wrap-around infrastructure

WHAT DOES THIS LOOK LIKE FOR FLEET ELECTRIFICATION?

Public /
Non-Profit



GRANTS

IRA Vehicle Tax Credits

\$40,000 - \$80,000

IRA

New IRA tax credits for medium- and heavy-duty fleet vehicles

UTILITY BENEFICIAL
ELECTRIFICATION PLANS

TBD

CEJA

Rebates and grid upgrades

FINANCE

FINANCE

**~\$250,000 -
\$10,000,000**

GGRF

New revolving loan fund for fleet electrification (public and private) to support:

- Vehicle purchase + Operations
- Charging equipment + Installation
- Wrap-around infrastructure

Fleet Electrification



Commercial



WHAT DOES THIS LOOK LIKE FOR COMMERCIAL BUILDINGS?

FINANCE

< 25% of value of the property

PRIV

The Illinois Finance Authority / Illinois Climate Bank currently offers a Commercial Property Assessed Clean Energy (C-PACE) program, a no-public-subsidy climate finance structure that attracts private lenders to commercial real estate projects, assignable upon transfer of the property.

Up to \$10,000,000

GGRF

The Illinois Climate Bank will develop loan products for commercial building electrification that can work seamlessly with building electrification investment timelines and federal tax credits /rebates.

FINANCE

C-PACE



Building Electrification



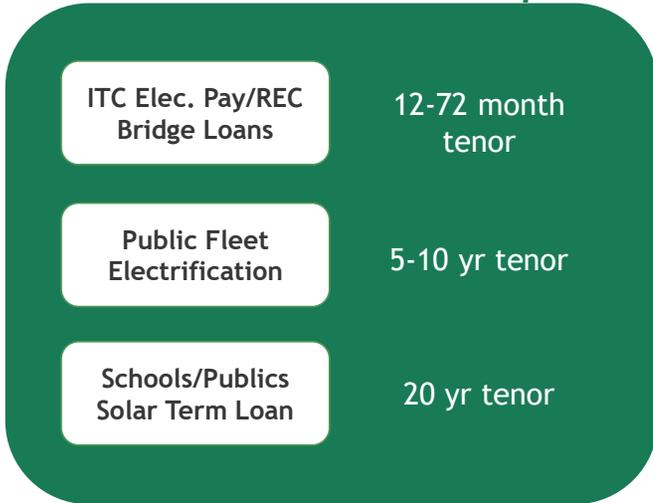


How we plan to grow and expand beyond initial federal dollars

2024-2025

2025/26 and beyond

\$100 million - federal capital



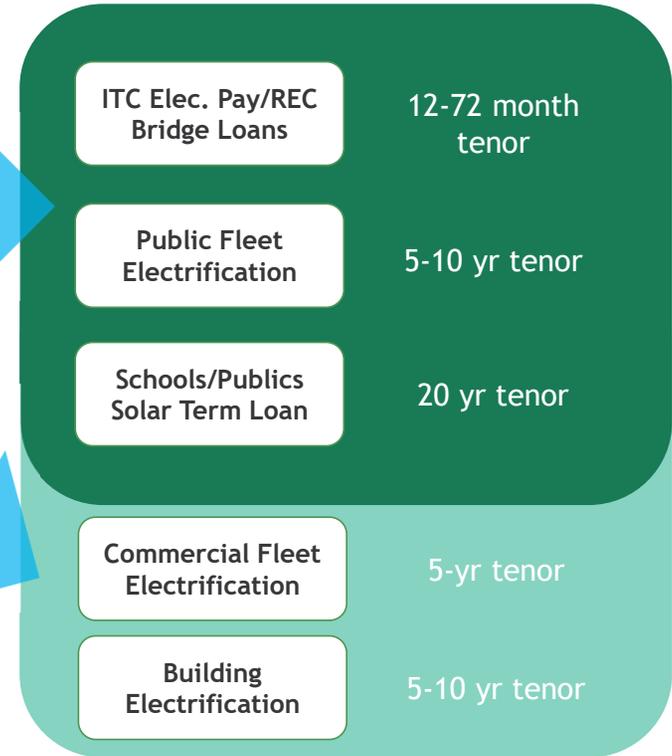
- Strong credit quality
- Municipal pledge or backstop OR ample repayments
- Essentiality
- Captive customers
- High incentive for repayment
- Volume, diversity and size

Most repayments

Short tenor capital



Additional \$\$\$



Expand to new products and increase pool



UPDATES

Illinois Department of Commerce and Economic Opportunity & Illinois Power Agency



CEJA Workforce and Contractor Programs

Contractor support programs (OEIT)



Contractor Incubator
\$21M/yr.



Contractor Primes Accelerator
\$9M/yr.

Economic Development Jobs & Environmental Justice (OEJ)



Coal to Solar



Energy Transition Community Grant
\$40M/yr



Equitable Energy Future Grant
Up to \$25.5M/yr



Solar Energy Sovereignty Grant
Up to \$8.5M

Workforce training programs (OET)



Clean Jobs Workforce Network
\$21M/yr.



Climate Works Pre-apprenticeship
\$9M/yr



Returning Resident Clean Jobs
\$6M/yr

Workforce support programs (OET)



Energy Transition Navigators
\$6M/yr.



Energy Transition Barrier Reduction
\$15M/yr

Commissions, Councils & Boards

- Energy Transition Workforce Commission
- Energy Workforce Advisory Council

Clean Energy Jobs and Justice Fund



Department of Commerce
& Economic Opportunity
JB Pritzker, Governor

Illinois Solar for All (ILSFA)



- **Distributed Generation (Rooftop) and Community Solar**
- **Eligibility:**
 - Residents (Residential and Community Solar): 80% AMI
 - Non-profits/Public Facilities: Critical service provider and located in environmental justice or low-income community
- **Job trainee requirements**
 - Project level
 - Portfolio level
- **25% funding reserved for Environmental Justice communities**
- **25% funding reserved for Energy Sovereignty projects**
- **Budget-based incentive funding allocations rather than MW capacity**
- **Higher incentives than Illinois Shines**



We want to hear from you!

Chris Meister
Executive Director
cmeister@il-fa.com
www.il-fa.com

Claire Brinley
Policy Analyst
cbrinley@il-fa.com
www.il-fa.com