

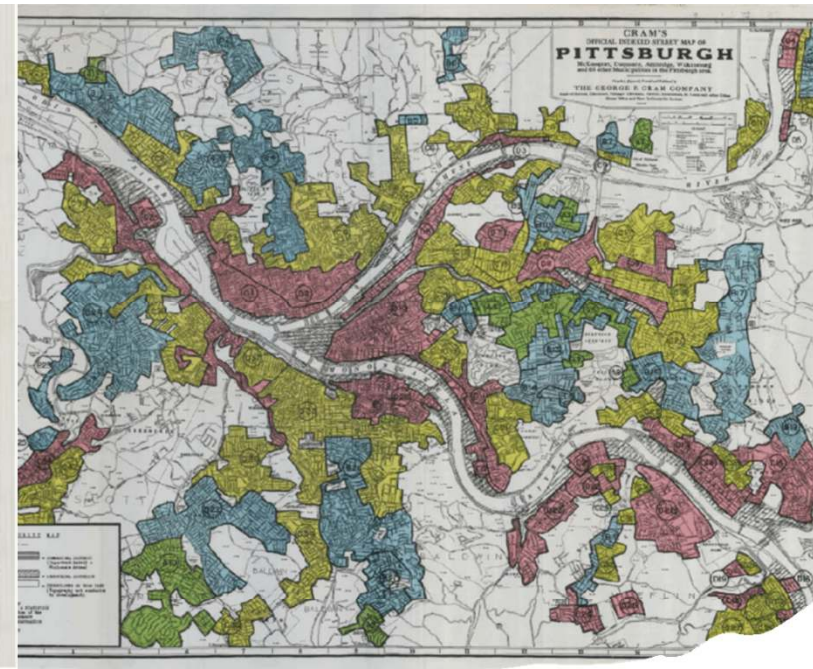
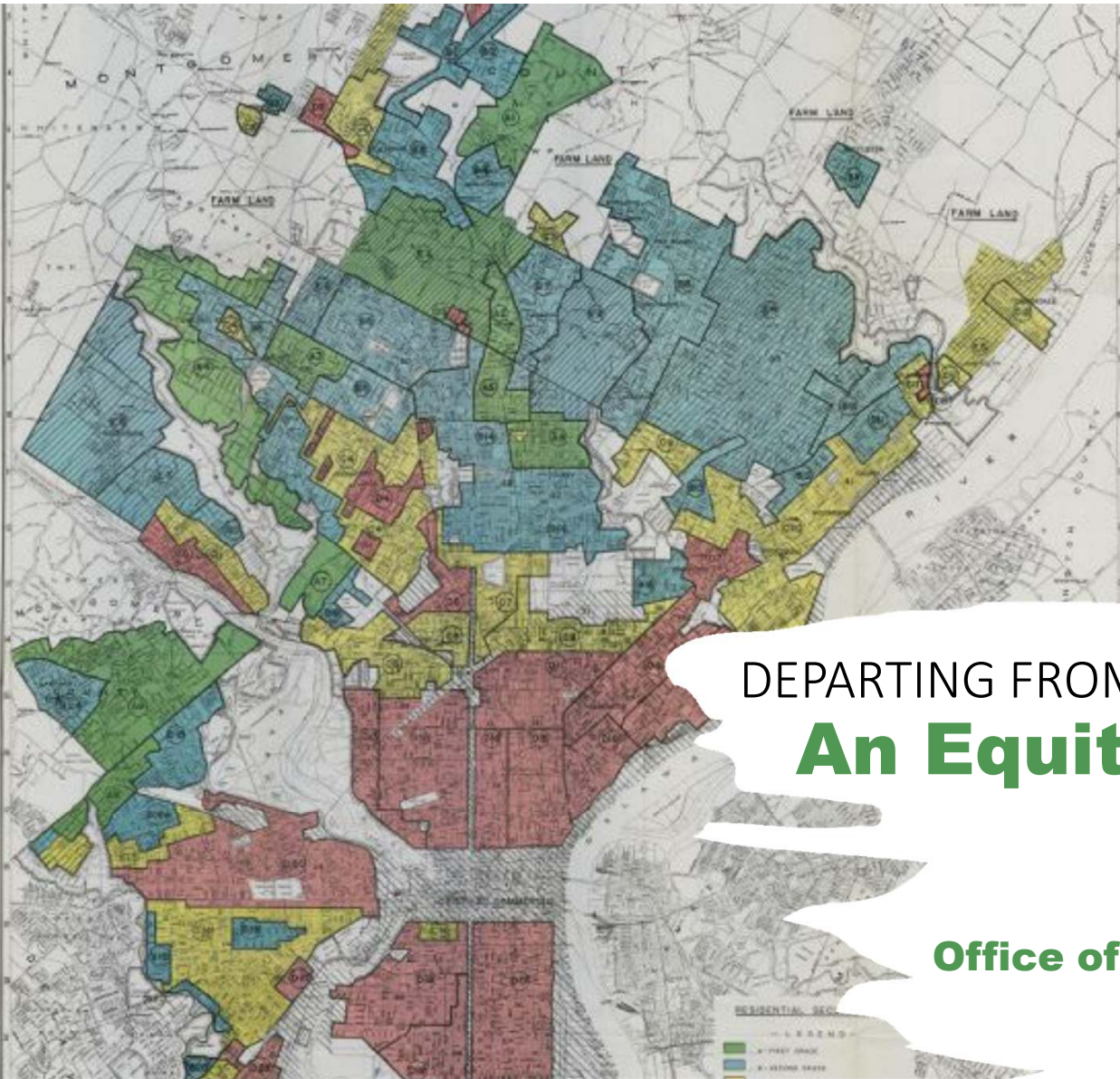


**ILLINOIS
FINANCE
AUTHORITY.**



**ILLINOIS
CLIMATE
BANK**

IFA/Climate Bank Working Draft August 8, 2023



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



CLIMATE BANK PURPOSE

- (1) the distribution of the benefits of clean energy in an equitable manner, including by evaluating benefits to eligible communities and equity investment eligible persons;
- (2) making clean energy accessible to all, especially eligible persons, through financing opportunities and grants for minority-owned businesses, as defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, and for low-income communities, eligible communities, environmental justice communities, and the businesses that serve these communities; 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.

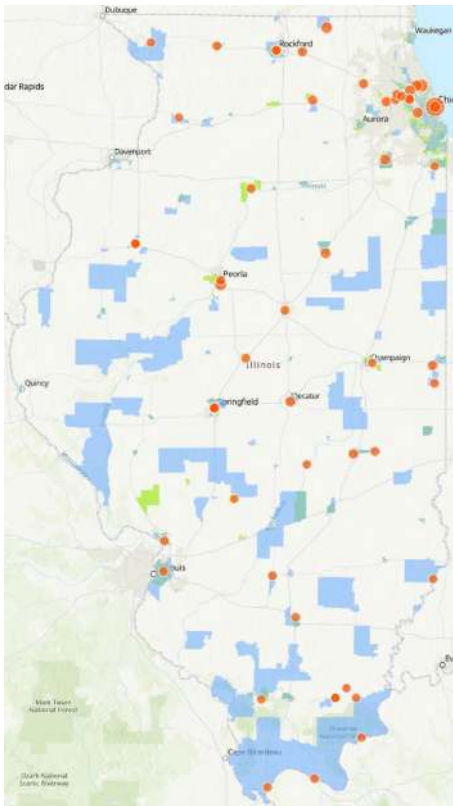
- Climate & Equitable Jobs Act, 2021 (20 ILCS 3501/850-15)

Illinois Climate Bank 2022 Record of Success



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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.

(*Preliminary and unaudited)



MARCH



**U.S. DOE
40101(d) GRID
RESILIENCE**

\$40m

to improve reliability and resilience, particularly in disadvantaged communities

SUBMITTED



**RESILIENT &
EFFICIENT CODES
IMPLEMENTATION**

\$4m

to develop a building performance hub to support small energy efficiency contractors

**FUNDING
PENDING**

APRIL



**STATE SMALL
BUSINESS
CLIMATE
INITIATIVE**

up to \$20m

to provide financing for the start-up an/or expansion of "green" business ventures/projects

\$3M Received



**U.S. DOE
EE REVOLVING
LOAN FUND**

\$15.3m

to finance building retrofits and to provide working capital to minority contractors

SUBMITTED

MAY



**U.S. DOE
GRIP PROGRAM**

\$127m

to accelerate transportation electrification in rural and small-town communities

SUBMITTED



**U.S. DOT
CHARGING & FUELING
INFRASTRUCTURE**

\$15m

to support community-based charging benefitting rural and dense urban communities

SUBMITTED

SUMMER



**U.S. EPA
GREENHOUSE GAS
REDUCTION FUND**

\$280m- \$840m

to seed Illinois Climate Bank and Illinois Jobs & Justice Fund Activities

SEP 26-OCT 212 2023

USDOE Goals/Greenhouse Gas Reduction Fund (GGRF)



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I. **USDOE Goals.** Integrated across US Department of Energy (USDOE) funding are four goals:

1. Quantifiable progress on climate goals
2. Build it here (USA)/National Security
3. Justice40
4. Labor

II. **GGRF.** As part of the Inflation Reduction Act, the US Environmental Protection Agency (USEPA) is distributing \$27 billion by September 2024 through the Greenhouse Gas Reduction Fund (GGRF). The GGRF has three (3) main objectives:

1. to reduce emissions of greenhouse gases and other air pollutants;
2. to deliver benefits of greenhouse gas- and air pollution-reducing project to American Communities, particularly low-income and disadvantaged communities; and
3. to mobilize financing and private capital to stimulate additional deployment of greenhouse gas- and air pollution-reducing projects.

Greenhouse Gas Reduction Fund (GGRF)



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\$7 billion
Solar for All
Competition

1st Stakeholder
Session held on
July 6, 2023



\$14 billion
National Clean
Investment Fund
Competition

2^d Stakeholder
Session held on
July 20, 2023



\$6 billion
Clean Communities
Investment
Accelerator
Competition

GGRF – National Clean Investment Fund



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Under the Greenhouse Gas Reduction Fund’s new National Clean Investment Fund, created under the Inflation Reduction Act, the US EPA will provide \$14 billion to 2-3 national applicants to build a national clean investment finance network.

The funding will be used to leverage private capital to provide financial assistance to projects that:

1. Reduce GHG emissions
2. Reduce other pollutants
3. Deliver community benefits
4. Would not otherwise be financed
5. Mobilize private capital
6. Use commercially-available technology



**MUST MEET ALL 6
REQUIREMENTS**

GGRF – NCIF Details



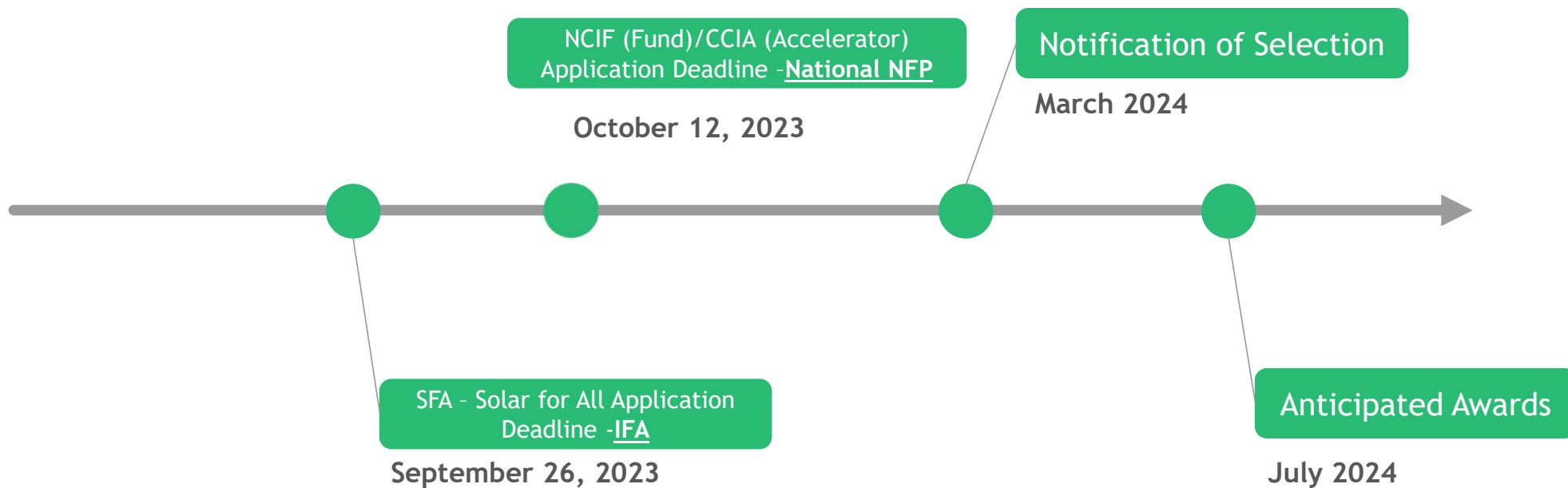
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- **Eligible Technology:** any project that either reduces emissions while leveraging private investment or assists communities in the efforts of those communities to reduce or avoid greenhouse gas emissions and other forms of air pollution.
- **Activities:**
 - Financial assistance (debt, equity, hybrids, credit enhancements)
 - Predevelopment activities, feasibility studies, design and engineering
 - Market-building activities
 - Program administration
- **Justice40:** 40% of the budgeted funds must be for the purpose of providing financial assistance in low-income and disadvantaged communities. (note: “in,” not “benefitting”)

GGRF – SFA/NCIF/CCIA Timeline






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State of Illinois Approach



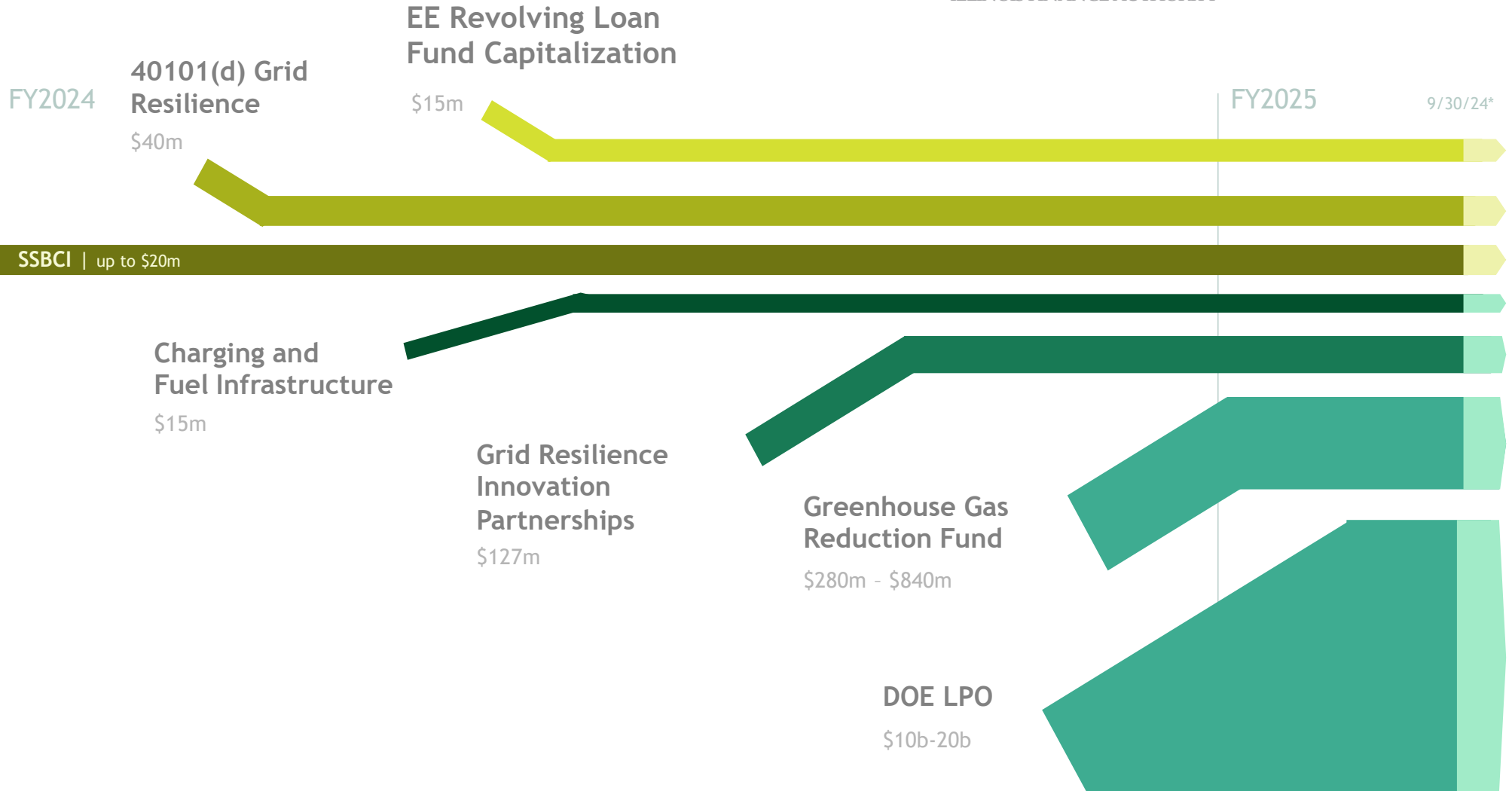
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- **State partnership with national applicant:** Illinois Climate Bank will coordinate with potential national applicants to be included in a highly-competitive proposal.
- **Address priority areas of NCIF:**
 -  Zero-emissions transportation
 -  Net-zero emission buildings in low-income and disadvantaged communities
 -  Distributed generation < 10 MW
- **Support community-focused initiatives and gaps in financing:**
 - Example Illinois Climate Bank areas of interest: fleet electrification, transit electrification, building decarbonization, low-income and EIEC community clean energy adoption, EEC and diverse business support

New Federal Funding



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Climate & Equitable Finance Opportunities



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LONG-TERM

Standard LMI solar lease

Cash gap for homes

Building Electrification Loans

Public Building Project Finance

Commercial PACE

20-Year Solar Schools

JVs with mentors

\$1m+ for Primes

MEDIUM-TERM

Tax Equity Finance Pool

School Bus

Retrofit Standard Offer Loan Loss Reserve

Capacity Building for BIPOC businesses

SHORT-TERM

Bridge Loans for Tax Credits/
Direct Pay

Support local RLFs

Bridge Loans for RECs/
Rebates

Tech. Assis.

RECURRING

Community Portfolios

Loans for Training

Bonding support

Back-Office Support

Working Capital for BIPOC businesses



We want to hear from you!

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