



**ILLINOIS
FINANCE
AUTHORITY.**



**ILLINOIS
CLIMATE
BANK**

WORKING DRAFT - December 1, 2023



CLIMATE BANK DESIGNATION

In September 2021, the **Illinois Climate and Equitable Jobs Act (CEJA)** designated the **Illinois Finance Authority as the Climate Bank** and clarified existing powers to include traditional Green Bank powers.

In the first 12 months of its designation, **IFA mobilized \$265 million in private capital, 65% of which went to disadvantaged communities.**

The Illinois Climate Bank is self-sustaining and does not receive an appropriation from the State General Revenue Fund.

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.**

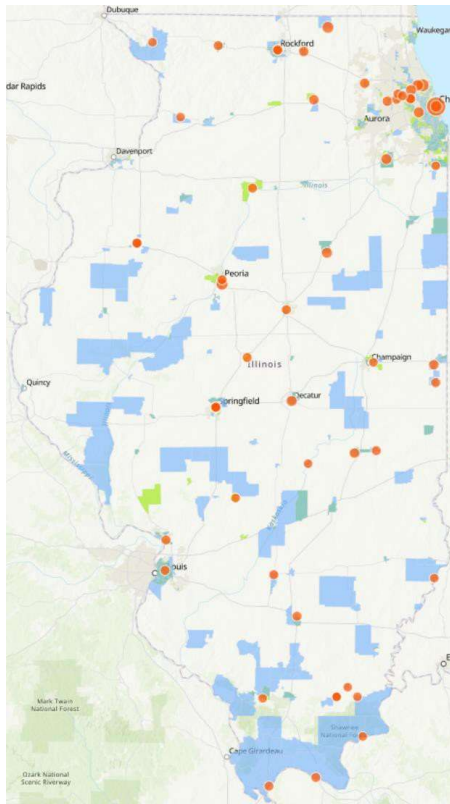
– Climate & Equitable Jobs Act, 2021 (20 ILCS 3501/850-15)

Illinois Climate Bank 2022 Record of Success



ILLINOIS FINANCE AUTHORITY | ILLINOIS CLIMATE BANK

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)

State Goals for Clean Energy



Codified in State Law:

- 1 million EVs on the road by 2030
- State running on 100% clean energy by 2050

Associated Laws:

- Reimagining Energy and Vehicles (REV) in Illinois Act
- Climate and Equitable Jobs Act (CEJA)
- Manufacturing Illinois Chips for Real Opportunity (MICRO) Act
- Illinois finance Authority as Climate Bank
- Invest in Illinois Fund



"Because of my administration's work on the nation-leading Climate and Equitable Jobs Act and Reimagining [Energy and] Vehicles Act, Illinois stands at the forefront of the emerging electric vehicle industry. This funding serves as a vital complement to that work and will ensure we meet our goal of putting one million electric vehicles on the road by 2030. In every corner of the state, we have invested in our infrastructure and our workers, making it clear to vehicle, charging station, and auto parts manufacturers that Illinois is the best place in the nation to manufacture and drive an electric vehicle."
- Governor J.B. Pritzker

“More than Our Fair Share”

Innovate Illinois is a public-private coalition led by Governor Pritzker, Jenny Scanlon the CEO of UL Solutions and UIUC Chancellor Robert J Jones, working with industry leaders & world-class universities.

CRAIN'S CHICAGO BUSINESS

NEWS & DATA POLITICS & OPINION LIFESTYLE & DINING REAL ESTATE SPECIAL REPORTS THIS

Home > Economy

March 28, 2023 06:00 AM

Billions in federal funding are about to be unleashed. Here's how Illinois is going to compete.

JOHN PLETZ  

 EMAIL  SHARE  TWEET  SHARE



MANY PLAYERS – ONE TEAM



A Unified State of Illinois Approach:



Illinois
Department of Commerce
& Economic Opportunity



FEDERAL GOALS



Integrated across federal funding are four goals:



Quantifiable progress on climate goals



Build it here (USA)/National Security

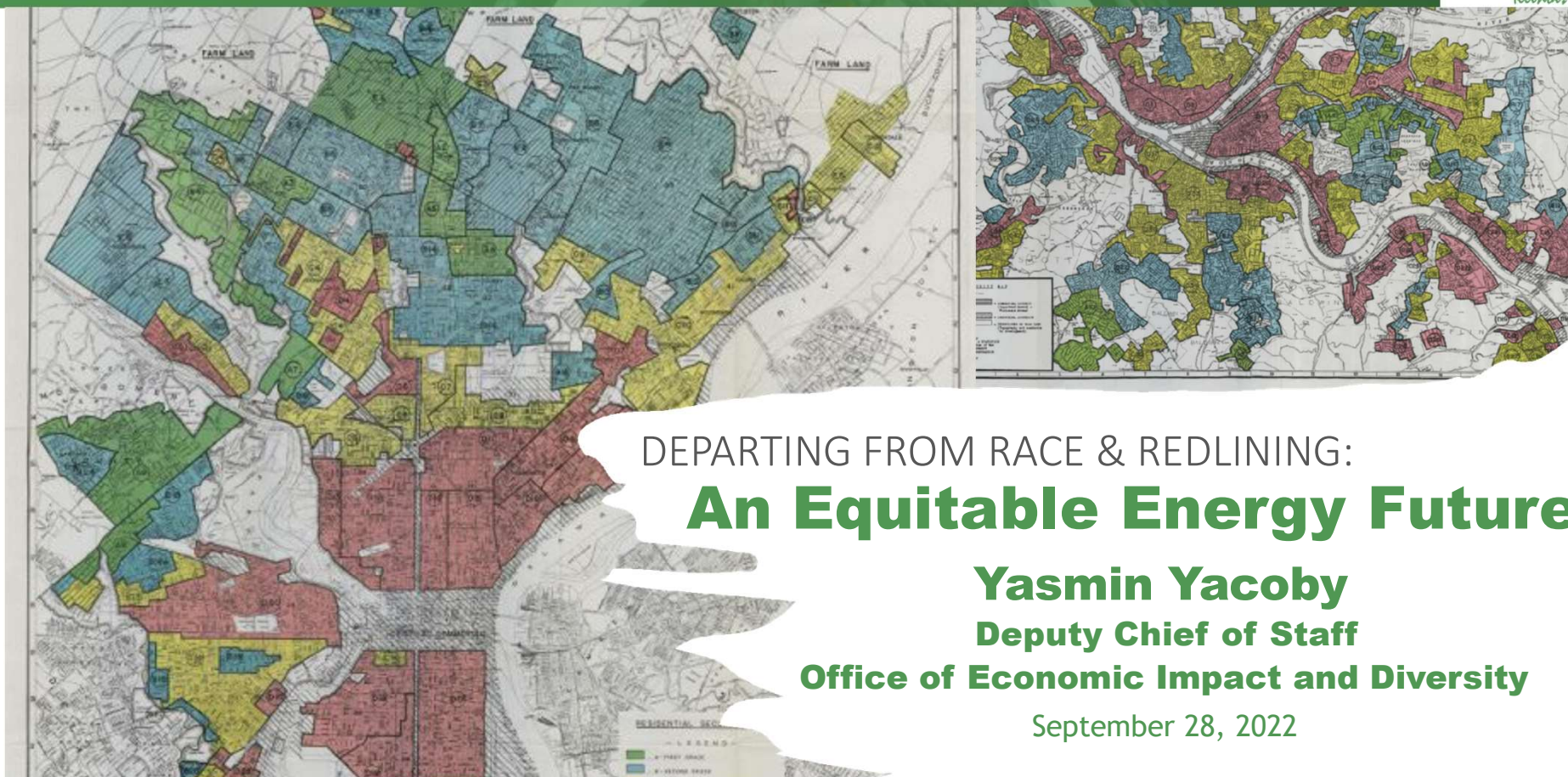


Justice40



Labor

ILLINOIS STATE GOALS ALIGNED WITH FEDERAL GOALS



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

IFA/Climate Bank Federal Funds Status

MARCH		APRIL		MAY		OCTOBER
						
U.S. DOE 40101(d) GRID RESILIENCE	RESILIENT & EFFICIENT CODES IMPLEMENTATION	STATE SMALL BUSINESS CLIMATE INITIATIVE	U.S. DOE EE REVOLVING LOAN FUND	U.S. DOE GRIP PROGRAM	U.S. DOT CHARGING & FUELING INFRASTRUCTURE	U.S. EPA GREENHOUSE GAS REDUCTION FUND
\$40m	\$4m	up to \$20m	\$15.3m	\$127m	\$15m	\$280m- \$840m
to improve reliability and resilience, particularly in disadvantaged communities	to develop a building performance hub to support small energy efficiency contractors	to provide financing for the start-up an/or expansion of "green" business ventures/projects	to finance building retrofits and to provide working capital to minority contractors	to accelerate transportation electrification in rural and small-town communities	to support community-based charging benefitting rural and dense urban communities	to seed Illinois Climate Bank and Illinois Jobs & Justice Fund Activities
\$16M Received	FUNDING PENDING	\$3M Received	Funding anticipated December 2023	Concept papers due Jan. 2024	Decision Anticipated Dec. 2023	SUBMITTED

+ US DOE LPO

Climate & Equitable Finance Opportunities

SUMMARY OF IDEAS RECEIVED THROUGH STAKEHOLDER ENGAGEMENT

LONG-TERM

Standard
LMI solar
lease

Cash gap
for
homes

Building
Electrifica
tion Loans

Public
Building
Project
Finance

Commere
cial PACE

20-Year
Solar
Schools

JVs with
mentors

Retrofit
Standard
Offer
Loan Loss
Reserve

Medium/
Heavy-Duty/
Fleet
Electrification

MEDIUM-TERM

Tax
Equity
Finance
Pool

School
Bus

Bridge Loans
for Tax
Credits/
Direct Pay

SHORT-TERM

Bridge
Loans for
RECs/
Rebates

Tech.
Assis.

Capacity
Building
for BIPOC
businesses

RECURRING

Comm-
unity
Portfolios

Loans
for
Training

Bonding
support

Back-
Office
Support

Working
Capital for
BIPOC
businesses

IFA/CLIMATE BANK CONDUIT BONDS



Together with the issuance of Clean Water State Revolving Fund bonds and Drinking Water State Revolving Fund bonds for the Illinois Environmental Protection Agency, the Illinois Finance Authority is among the nation's leading issuers of conduit revenue bonds (i.e., approximately \$23 billion outstanding), **many on behalf of projects with a climate and sustainability focus.** Borrowers for IFA/Climate Bank projects include:



hospitals, healthcare systems and retirement communities;



nonprofit organizations (including higher education, PreK-12 schools, student housing, museums and cultural institutions);



commercial, industrial, multi-family, hospitality and office development;



agriculture; and



State and local governments.

IFA/CLIMATE BANK C-PACE



IFA has standardized Commercial Property Assessed Clean Energy (“C-PACE”) financing in Illinois through the nonpartisan, nonpolitical Illinois Finance Authority PACE Program (“IFA PACE Program”). Any interested county or municipality that desires to create a PACE area can establish the IFA PACE Program by adopting the enabling PACE Ordinance and related Program Report provided by IFA. These documents are posted on IFApacedocs.com for counties or municipalities to download.

IFA/CLIMATE BANK C-PACE



About C-PACE:

- C-PACE financing can be used by owners and developers to finance or refinance eligible improvements affixed to any privately-owned commercial, industrial, non-residential agricultural, or multi-family (of 5 or more units) property or any property owned by a not-for-profit in connection with renovations of existing buildings and new construction, in each case up to 25% of the value of the property. Eligible improvements generally include fixtures, products, systems, equipment, devices, and materials intended for energy efficiency, renewable energy, resiliency, or water use; electric vehicle charging stations are eligible improvements too.
- Each county or municipality establishing the IFA PACE Program has no risk or liability or operational responsibilities. PACE Projects approved under the IFA PACE Program do not require billing and collecting by the county or municipality or any use of public funds, similar to the structure of commercial real estate mortgages.
- As of September 1, 2023, seven municipalities and three counties have established the IFA PACE Program, which launched in January 2023. IFA has financed approximately \$84.59 million of PACE Projects.

For additional information, please visit IFApacedotcom, or contact Brad Fletcher at bfletcher@il-fa.com or contact Joanna Martinez at jmartinez-avina@il-fa.com.

State Small Business Credit Initiative (SSBCI)



SSBCI funds the IFA/Climate Bank Loan Participation Program, which works with banks and other financial institutions that are active in lending to small businesses. SSBCI:



Receives federal funding for projects as part of the American Rescue Plan Act of 2021



Provides access to capital for small business who may not be able to get the amount or terms they need



Allows lenders benefit from risk mitigation, get access to new borrowers, and expand relationships with existing ones



Focuses on projects that mitigate climate change, including hydroelectric, solar, wind, but also biomaterial production and the expansion of broadband in underserved communities



Serves both the Chicago area and downstate Illinois

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We want to hear from you!

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