

# MANY PLAYERS - ONE TEAM

## State of Illinois EV & Climate Priorities and Federal Funding Opportunities

Working Draft – October 2, 2023



# 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



## 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)**

# CEJA State Programs



\$180M Annually for CEJA Workforce Programs

## Workforce training programs

## Workforce support programs



Clean energy employers hire and support training program graduates.

**Incentive:** Equity Eligible Contractor requirements



Contractors & graduates work on clean energy projects funded by CEJA and more



# IFA/CLIMATE BANK C-PACE



## About C-PACE:

- The City of Chicago was the first strategic partner for IFA/CB for 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; EV 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 [IFApaced.com](https://IFApaced.com), or contact Brad Fletcher at [bfletcher@il-fa.com](mailto:bfletcher@il-fa.com) or contact Joanna Martinez at [jmartinez-avina@il-fa.com](mailto:jmartinez-avina@il-fa.com).

# Overview - Reimagining Energy and Vehicles in Illinois Program



- **The Reimagining Energy and Vehicles in Illinois Program (the “REV Program”) (authorized by the REV Act) provides certain tax incentives to eligible projects, including:**
  - Manufacturers of electric vehicles, electric vehicle components, and electric vehicle power supply equipment, batteries, and battery components
  - Manufacturers of equipment, systems, and products used to produce renewable or nuclear energy
  - Manufacturers of products used for energy conservation, storage or grid efficiency purposes
  - Battery recycling and reuse manufacturers and certain refiners and recyclers of raw battery materials
- **Qualifying criteria include:**
  - New manufacturing facilities that are established in Illinois
  - Existing manufacturing facilities that intend to convert or expand, in whole or in part, the existing facility from traditional manufacturing to one of the qualifying categorizations

# “More than Our Fair Share”



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  



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.

## FEDERAL GOALS



Four goals are integrated across federal EV and climate funding:



Quantifiable progress on climate goals



Build it here (USA)/National Security



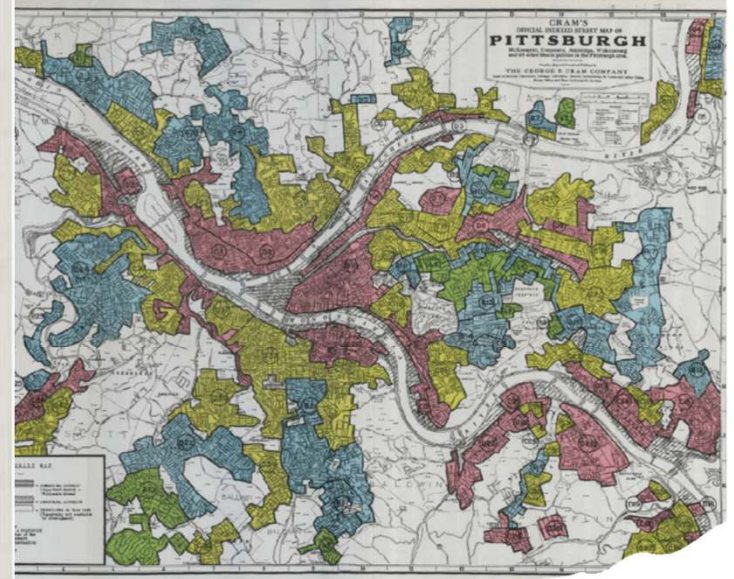
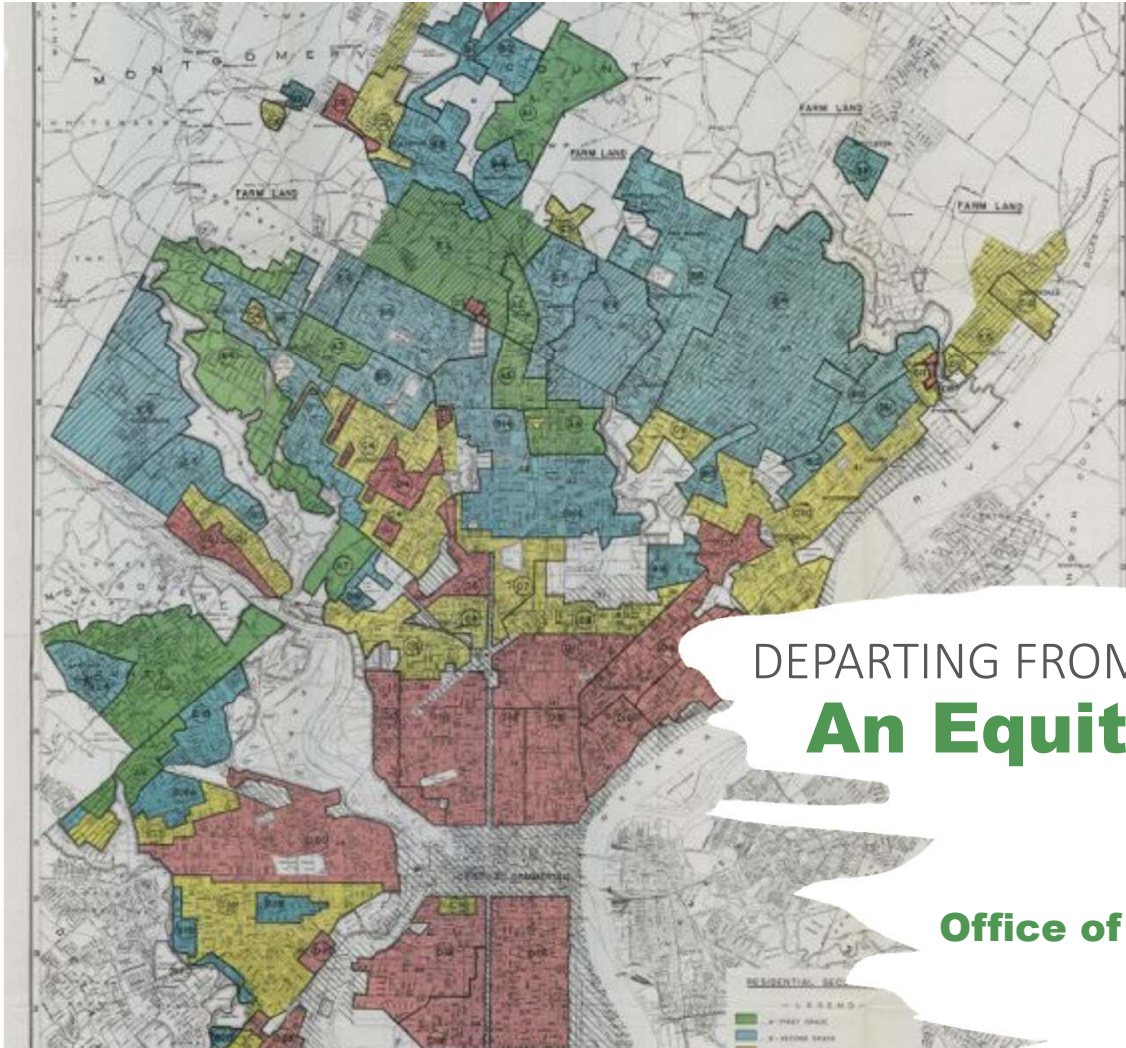
Justice40



Labor

*The goals of federal funds match Illinois policy goals!*





DEPARTING FROM RACE & REDLINING:

# An Equitable Energy Future

**Yasmin Yacoby**

**Deputy Chief of Staff**

**Office of Economic Impact and Diversity**

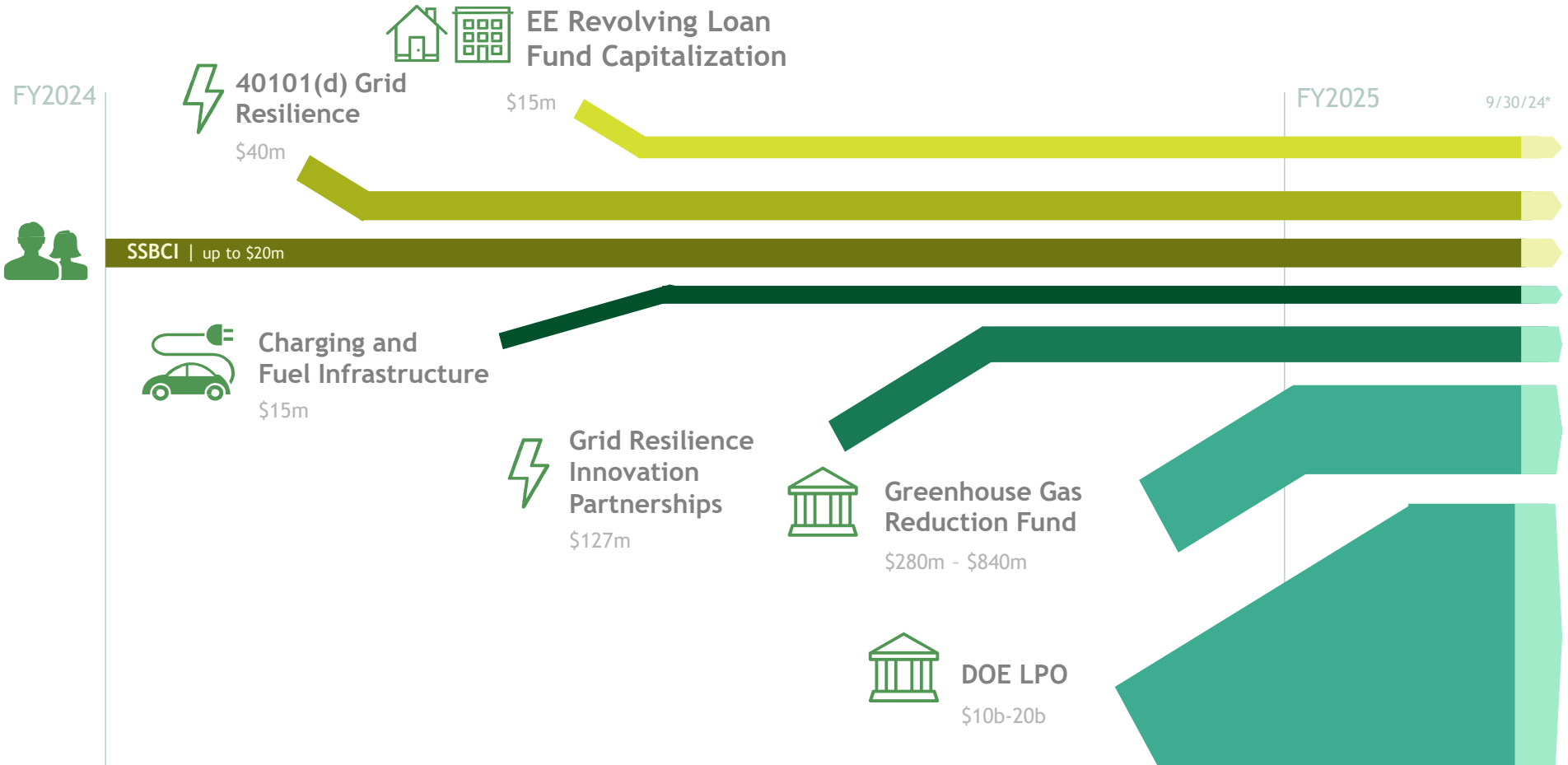
September 28, 2022



U.S. DEPARTMENT OF  
**ENERGY**

OFFICE OF  
**ECONOMIC IMPACT AND DIVERSITY**

# New Federal Funding Opportunities



# Greenhouse Gas Reduction Fund (GGRF)



**\$7 billion**

Solar for All Competition

IFA Applying  
Directly

Deadline 10/12  
(was 9/26)

Target: \$250m



**\$14 billion**

National Clean Investment  
Fund Competition

IFA Applying  
Through one or  
more National  
Partners

Deadline 10/12

Target: \$300m -  
\$500m



**\$6 billion**




Clean Communities  
Investment Accelerator  
Competition

IFA determining  
best path to  
enhance IL policy  
outcomes

Deadline 10/12

Target: 5  
recipients of  
\$10.8m each

# State of Illinois Unified GGRF Approach

- **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 GGRF:**
  -  **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, EV infrastructure, building decarbonization, low-income and EIEC community clean energy adoption, EEC and diverse business support

# GGRF Stakeholder Feedback

SUMMARY OF STAKEHOLDER FEEDBACK RECEIVED SINCE NOVEMBER 2022

## LONG-TERM

## MEDIUM-TERM

## SHORT-TERM

## RECURRING

Standard LMI solar lease

Cash gap for homes

Building Electrification Loans

Tax Equity Finance Pool

Bridge Loans for RECs/ Rebates

Community Portfolios

Loans for Training

Bridge Loans for Tax Credits/ Direct Pay

School Bus

Bonding support

Back-Office Support

Public Building Project Finance

Tech. Help

C-PACE

Retrofit Standard Offer Loan Loss Reserve

Medium/ Heavy-Duty/ Fleet Electrification

Capacity Building for BIPOC businesses

Working Capital for BIPOC businesses

20-Year Solar Schools

JVs with mentors

# Federal IRA Direct Pay in Lieu of Tax Credits



1. The Inflation Reduction Act (IRA) provides tax-exempt entities, **including state and local governmental entities and tax-exempt organizations**, with an opportunity to receive direct payment in lieu of tax credits generated by qualifying renewable energy projects.
2. The IRA levels the playing field for tax-exempt entities by expanding access to federal incentives; prior to the IRA, available tax credits could not effectively be utilized without taxable income.
3. Qualifying renewable energy projects include (i) wind, (ii) closed-loop biomass, (iii) open-loop biomass, (iv) geothermal energy, (v) solar energy, (vi) small irrigation power, (vii) municipal solid waste, (viii) qualified hydropower production, and (ix) marine and hydrokinetic renewable energy.
4. The direct-payment election may primarily be made with respect to the investment tax credit (ITC) or production tax credit (PTC), as applicable, generated by the qualifying project.
5. Certain projects may qualify for financing by tax-exempt bonds.
6. Projects that are currently under construction may still qualify for the direct-pay election.

# Federal Legislation and Funding Programs



## Bipartisan Infrastructure Law (BIL) / Infrastructure Investment and Jobs Act (IIJA)

\$1.2 trillion

- National Electric Vehicle Infrastructure (NEVI)
- Charging and Fueling Infrastructure (CFI)
- Clean School Bus (CSB)
- Low or No Emission Vehicle (Low-No)
- Grid Resilience (GRID/GRIP) Programs
- Numerous additional financing programs, pilots, and incentives

## Inflation Reduction Act (IRA)

\$740 billion

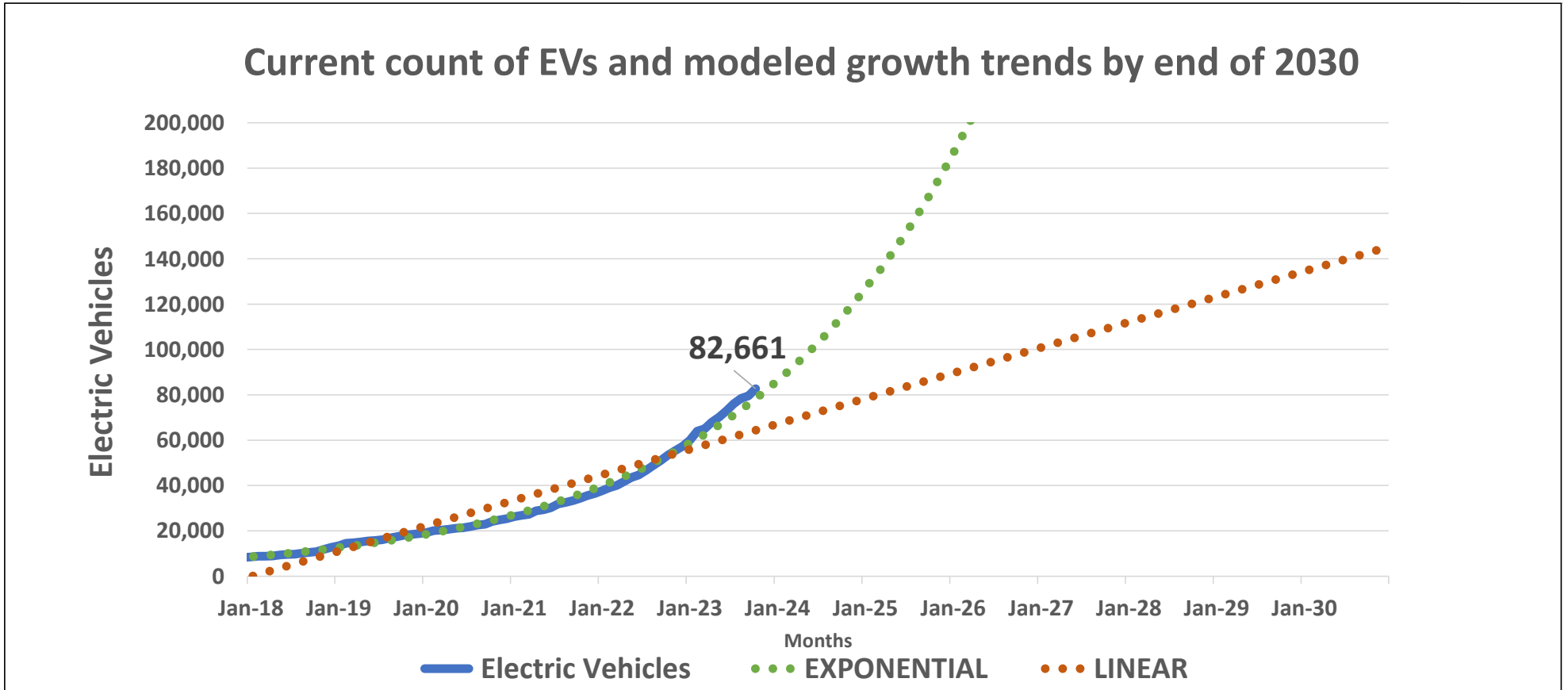
### Tax credits:

- Passenger vehicles, new (\$7,500) and used (\$4,000)
- Commercial vehicles
- Charging Equipment Installation

### Funding Programs

- Clean Heavy-duty Vehicles
- Climate Pollution/ Greenhouse Gas Reduction Funds
- Electrifying USPS fleet
- EV Manufacturing and Supply Chain

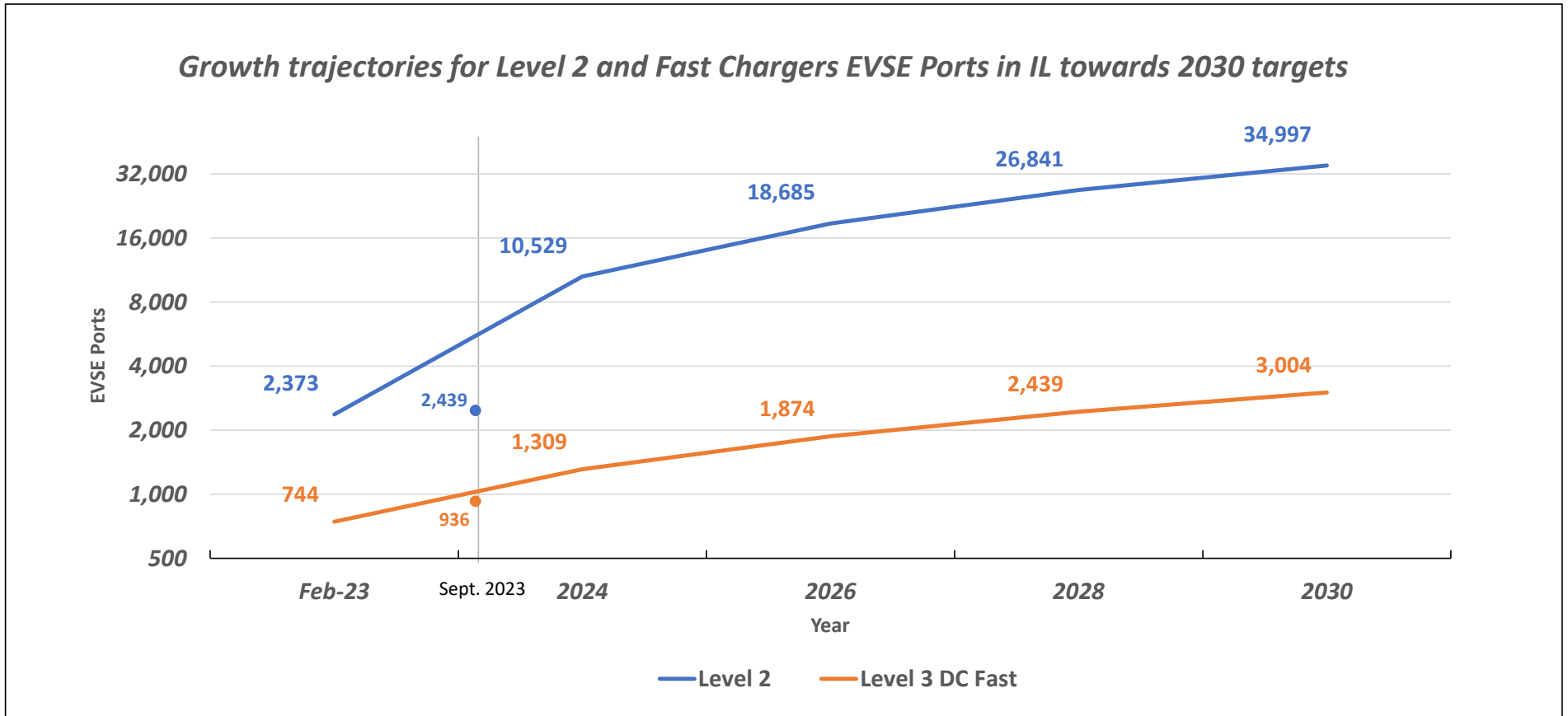
# Current Electric Vehicle Count in Illinois



Source: Illinois Secretary of State, 9/25/2023



# Current Charging Ports in Illinois

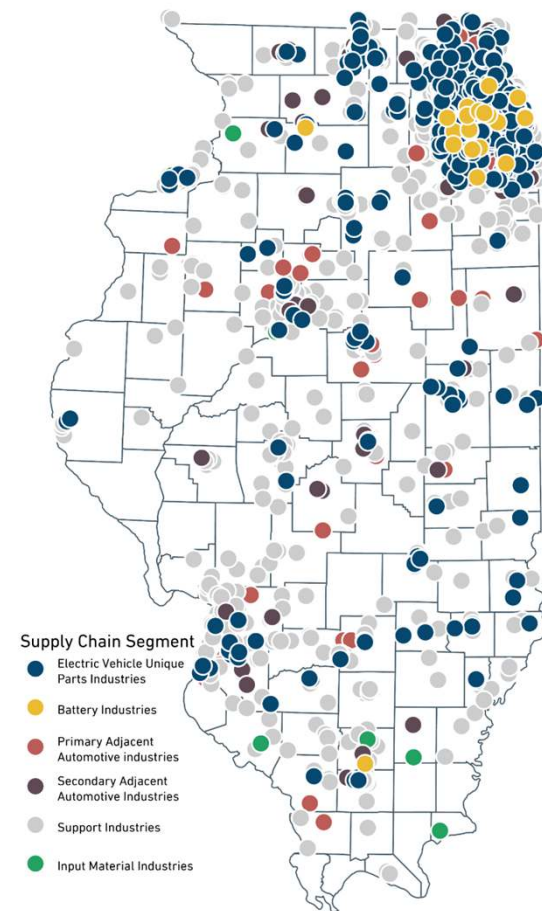


Source: US Department of Energy, Alternative Fuel Data Center

# The Illinois EV Supply Chain



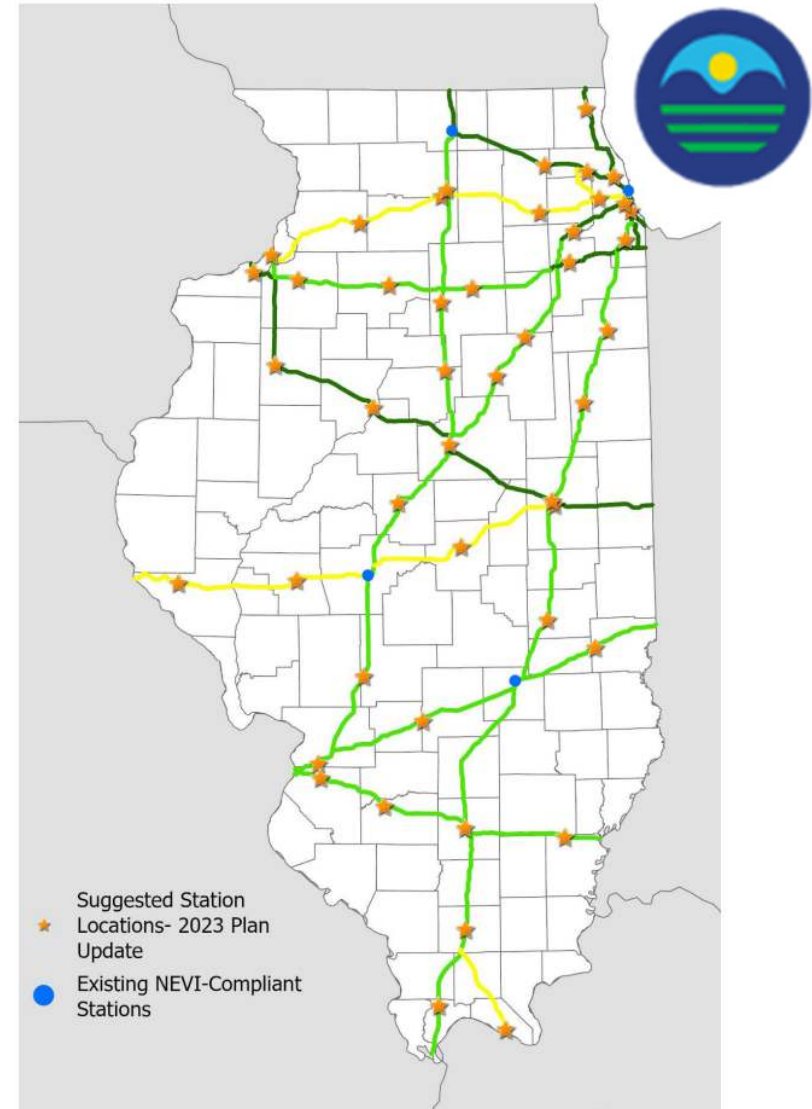
- A robust automotive and heavy machinery industry
  - 4th largest auto employment base in U.S.
  - 2 of nation's top three automakers, Ford and Stellantis
  - 816 companies in automotive industry
- Supply chain specializing in battery manufacturing, unique EV components and shared vehicle components
  - #2 in battery manufacturer locations
  - 4th in U.S. in number of locations that manufacture non-battery EV-unique components



# National Electric Vehicle Infrastructure (NEVI) Program

- \$5 billion formula program
  - Available to states over 5 years (FY22 - FY26)
  - \$148 million to Illinois
    - \$22 million in FY22
    - \$31.6 million in FY23 and each year through FY26
- Goal:
  - 3-phase deployment of EV charging infrastructure from 2022-2026
    - Phase 1: Alternative Fuel Corridors / Interstate Highways
    - Phase 2 & 3: Buildout of non-corridor routes and disadvantaged areas
    - 10% of NEVI set aside each year for discretionary “gap-filling” grants
- IDOT [updated NEVI plan](#) for Illinois (August 2023)

Figure 11- Map of Identified EV Charging Station Locations to Achieve Full Build-Out of Illinois Alternative Fuel Corridors



# Charging and Fueling Infrastructure (CFI) Discretionary Grants



## Two Programs:

- Community Charging and Fueling Grants (Community Program)
- Alternative Fuel Corridor Grants (Corridor Program)

## Funding Available:

- \$2.5 billion over 5 years / \$700M in FY22-23
- IDOT & IFA applications ~ \$30.5M in 2023

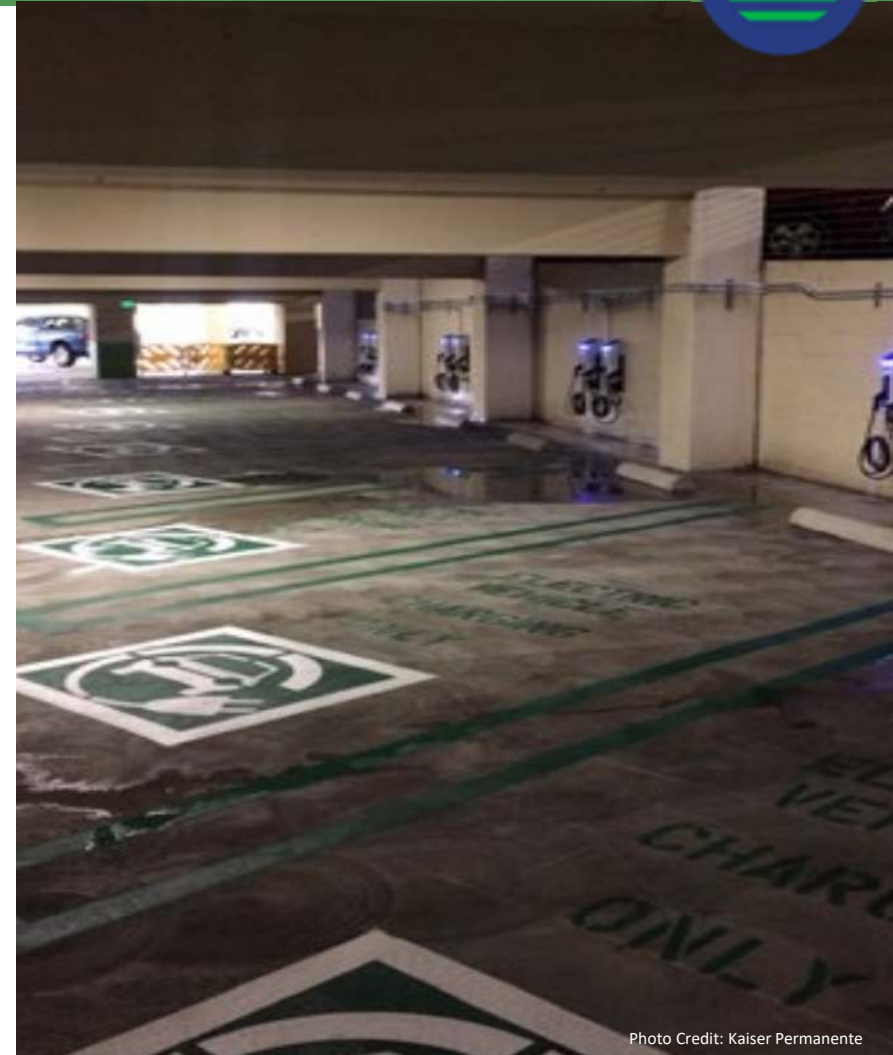


Photo Credit: Kaiser Permanente

# Clean School Bus (CSB) Program



## \$5 Billion Discretionary Program

- Replacement of existing school buses with clean and zero-emission (ZE) school buses
- Rebate and Grant Program
  - \$1.4 billion nationally in FY23
  - IL schools awarded \$47 million dollars in FY22
- Grant Program round closed on 8/22
- Second rebate round opens this fall
- Monthly IL Clean School Bus Meeting



Photo Credit: (Sarah Reingewirtz/Getty Images)

# Low or No Emission Vehicle (Low-No) Program



## \$5.5 Billion Discretionary Program

- Purchase or lease of zero-emission and low-emission transit buses as well as acquisition, construction, and leasing of required supporting facilities
- IL awarded \$115.4M between FY22 / FY23
- Transit continues to be a prime target for electrification



Photo Credit: Low or No Emission Vehicle Program - 5339(c) | FTA (dot.gov)P

# State (IEPA) EV programs



## EV Rebate Program

- \$4,000 for all-electric vehicle
- \$1,500 for all-electric motorcycle

## Volkswagen Settlement (VW) Grants

- \$63M of \$108M awarded
- School Bus Round currently scoring
- Medium/Heavy Duty round forthcoming

## Charging Infrastructure Grant Program (Rebuild Illinois)

- \$70 million



# Key Takeaways



- BIL/IIJA and IRA represent an unprecedented level of federal funding for EV infrastructure
- EV counts and charging ports are steadily increasing, additional investment needed
- IEPA has conducted needs assessment and convenes the EV Interagency Working Group to track and coordinate federal resources
- Needs assessment and interagency work informing “Roadmap to 1 Million” for Illinois
- State programs along with utility Beneficial Electrification programs will be key to filling gaps, but additional resources needed to meet goals
- More EVs on the road means better public health outcomes for disadvantaged communities





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& Economic Opportunity



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