

## **Frequently Asked Questions: Illinois Climate Bank Solar For All Expansion**



### About the Illinois Climate Bank

#### **What is the Illinois Climate Bank?**

The Climate and Equitable Jobs Act (20 ILCS 3501/850-15) designated the Illinois Finance Authority to be the state's Climate Bank, with the purpose of ensuring:

- (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.

For more information on the Illinois Finance Authority, please visit their website at <https://www.il-fa.com/>

### About the Greenhouse Gas Reduction Fund Solar for All Competition

#### **What is the Greenhouse Gas Reduction Fund?**

The Inflation Reduction Act created a first-of-its-kind, national-scale program: the Greenhouse Gas Reduction Fund—a \$27 billion investment to mobilize financing and private capital to address the climate crisis, ensure our country's economic competitiveness, and promote energy independence while delivering lower energy costs and economic revitalization to communities that have historically been left behind.

The Greenhouse Gas Reduction Fund program consists of three programs:

- (1) The National Clean Investment Fund competition provides grants to national nonprofit clean financing institutions;
- (2) The Clean Communities Investment Accelerator competition provides grants to hub nonprofits that will, in turn, deliver funding and technical assistance to local community lenders; and
- (3) The Solar for All competition will expand the number of low-income and disadvantaged communities primed for residential solar investment.

For more information on the Greenhouse Gas Reduction Fund, please visit the US Environmental Protection Agency's website at <https://www.epa.gov/greenhouse-gas-reduction-fund>

#### **What is the Solar for All Competition?**

Under the \$7 billion Solar for All program, the 60 selected applicants will create new or expand existing low-income solar programs, which will enable over 900,000 households in low-income and disadvantaged communities to benefit from distributed solar energy.

Collectively, these programs will deliver on the Greenhouse Gas Reduction Fund's objectives by reducing greenhouse gas emissions and other air pollution, delivering cost savings on electric bills for overburdened households, and unlocking new markets for distributed solar in 25 states and territories that have never had a statewide low-income solar program before.

Illinois was awarded over \$156,000,000 in the Solar for All competition, based on a proposal to create an Illinois Solar for All Expansion program.

For more information on the Solar for All competition, please visit the US Environmental Protection Agency's website at <https://www.epa.gov/greenhouse-gas-reduction-fund/solar-all>. More information on Illinois' winning proposal and its implementation is provided below.

## About Illinois Solar for All

### **What is Illinois Solar for All?**

Illinois Solar for All provides greater access to the renewable energy economy for income-eligible communities through incentives that help make solar installations more affordable and result in measurable savings for participants.

### **Who administers Illinois Solar for All?**

Illinois Solar for All is a program developed by the Illinois Power Agency and administered by Elevate Energy (Elevate). Elevate is a non-profit organization working with key partners to administer Illinois Solar for All, including Shelton Solutions, CANDO, Encolor, PACO Collective, and Primera Engineers.

### **Where can I get answers to other questions about Illinois Solar for All?**

Please see <https://www.illinoissfa.com/> for more information about the Illinois Solar for All program.

## About the Illinois Solar for All Expansion program

### **How much funding did Illinois win in the Solar for All competition?**

On April 22, U.S. EPA announced that they intend to award the Climate Bank's Solar for All application a total of \$156 million in federal funding. The Climate Bank is finalizing the grant award process with the U.S. EPA and expects to receive funding by the end of 2024.

### **How will Illinois' Solar for All Expansion programs benefit Illinois residents and businesses?**

The State's GGRF Solar for All proposal demonstrated 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 these five elements:

- 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.
- The effort is focused on **increasing low-income and disadvantaged households' access to solar** through financing products and deployment.
- 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.
- The program should facilitate **ownership models** that allow for low-income households and disadvantaged communities to access the additional economic benefits of asset ownership.
- 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.

### **What does Illinois plan to do with the funding it won in the Solar for All competition?**

The Illinois Climate Bank intends to work closely with the Illinois Power Agency and their Illinois Solar for All program, as well as the Illinois Department of Commerce and Economic Opportunity, to deploy this funding. Stakeholder engagement in 2022 and 2023 identified a number of barriers faced by environmental justice and disadvantaged<sup>1</sup> communities and businesses in accessing the clean energy economy. Illinois' proposal to the Solar for All competition included a number of programs designed to address these barriers directly:

- Launch Solar for All Enabling Upgrades grants
- Launch Solar for All Energy Storage grants
- Expand Illinois Solar for All's low-income community solar program
- Expand Illinois Solar for All's low-income residential solar program
- Expand Illinois Solar for All's Bright Neighborhoods solar pilot program
- Launch a standard-offer Lease-to-Own product for small solar contractors
- Launch a loan product to enable Community Driven Community Solar projects
- Launch a standard-offer Energy Sovereignty loan product to encourage solar ownership
- Support development of a single contractor portal to ease program applications and reporting
- Launch a working capital loan for small disadvantaged solar businesses

### **Will There be Opportunities for Public Input?**

Yes. The Illinois Climate Bank has begun a series of stakeholder and public comment opportunities to gather ideas on how best to implement the grants and programs described above. If you are interested in joining these working groups, please contact [SFA@il-fa.com](mailto:SFA@il-fa.com).

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<sup>1</sup> The term "disadvantaged" is a term of art used by the Inflation Reduction Act and federal government agencies to indicate communities that are marginalized, underserved, and overburdened by pollution. More information on the term and the Climate and Economic Justice Screening Tool (CEJST), used to identify these communities, is located here: <https://www.whitehouse.gov/wp-content/uploads/2022/02/CEQ-CEJST-QandA.pdf>. The Climate and Equitable Jobs Act uses different terms and a different mapping tool to identify Illinois communities that are underserved and overburdened, but the overlap is significant.

**What is an Enabling Upgrade grant?**

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 grants 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 a 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 rebates offered by utilities or as a result of the Inflation Reduction Act.

**What are Energy Storage grants?**

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 funding for energy storage installed along with solar photovoltaic systems in 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 by utilities. 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.

**How will this funding expand Illinois Solar for All's Community Solar and Residential Solar programs?**

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 U.S. EPA's Solar for All program.

**What is the Residential Solar Outreach Pilot?**

The Illinois Climate Bank will coordinate with the Illinois Power Agency to create an outreach pilot program to focus on increasing participation in the Illinois Solar for All's Residential Solar (Small) sub-program.

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

### **What are the Standard Offer Lease and Lease-to-Own Programs?**

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 to 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.

### **How will this funding affect Community-Driven Community Solar Projects?**

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

Under CEJA, such community solar projects compete for incentives under the Illinois Shines program, and are required to provide defined community benefits, 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.

### **What is the Contractor Portal?**

The Illinois Climate Bank will work with the Illinois Department of Commerce and Economic Opportunity, the State agency administering CEJA's workforce and contractor development initiatives, the Illinois Power Agency, and others, 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.

### **How will this funding assist contractors in accessing Working Capital?**

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.

### **What is SolarApp+ and how will this funding assist in solar permitting?**

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 grows, local governments can become overwhelmed with the workload and project approvals can be delayed. The number of grants to support local governments will be dependent on overall funding levels and demand.

## Doing Business with the State of Illinois

### **I want to work with the State of Illinois on these programs. How should I get started?**

First, find out more about Illinois Finance Authority / Illinois Climate Bank's work at our website: <https://www.il-fa.com/programs/cb>

Then, 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/>

If you are a vendor, register in BidBuy: <https://www.bidbuy.illinois.gov/bs/>

If you are a 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/>

## General Questions

### **When will the State of Illinois receive the funding for these programs?**

While the funding award has been announced, the State of Illinois does not expect to receive funding until later this year, 2024.

### **What is the application process for these programs?**

The Illinois Climate Bank is in the early stages of developing program processes and application details. The Climate Bank will seek public input on these programs and welcomes comments during the public input process. If you are interested in receiving email announcements related to the Climate Bank's activities, please send an email to [sfa@il-fa.com](mailto:sfa@il-fa.com).

**How can I comment on the use of this funding or design of these programs?**

The Illinois Climate Bank has begun a stakeholder working group process in December 2024 and welcomes feedback during that process on program prioritization, design, and other issues. If you are interested in receiving email announcements related to the Climate Bank's activities, please send an email to [sfa@il-fa.com](mailto:sfa@il-fa.com).

**How many grants or loans do you anticipate will be available for each of these programs?**

Illinois was awarded over \$156,000,000 in the Solar for All competition, based on a proposal to create an Illinois Solar for All Expansion program. This award was the maximum award available to the State based on its size and other factors. The number of grants or loans awarded by these programs will depend on factors including the size and number of applications, and so is currently unknown.

**What portion of the funding will benefit residential homes?**

We do not yet have exact figures, as the program budgets have not yet been finalized, but the Illinois Climate Bank expects that a significant amount, and perhaps more than half of the funding, will ultimately be available for residential projects.

**Who is developing the contractor portal?**

The portal will be developed in coordination with a number of agencies, including the Illinois Climate Bank, Department of Commerce and Economic Opportunity, Illinois Housing Development Authority, and Illinois Environmental Protection Agency.

**Which communities will be targeted for the Bright Neighborhoods pilot expansion?**

The communities to be targeted have not been identified yet. They will be determined based on a statewide analysis and competitive application process.

**Will this funding assist with the up-front costs of residential solar and home electrification projects?**

Yes. The funding will support a portfolio of grant and loan programs that will assist in helping solar installers and home and building owners to address the up-front costs of solar installations, building electrification projects. These will include bridge loan products to finance up-front costs while awaiting tax credit and REC payments and lease-to-own products that will allow easier monetization of tax credits.

**Will manufactured housing and mobile homes be eligible for the Enabling Upgrades grant program?**

The details of the Enabling Upgrades program are still in development. The Illinois Climate Bank would welcome comments on program designs that would assist manufactured housing during the public comment phase. If you are interested in receiving email announcements related to the Climate Bank's activities, including public comment opportunities, please send an email to [SFA@il-fa.com](mailto:SFA@il-fa.com).

**Will these new programs be designed for ease in integrating, braiding, and stacking multiple funding sources to create full project financing packages?**

Yes. The Illinois Climate Bank is keenly aware of the need to use multiple funding sources to successfully fund solar and building electrification projects, and of the difficulty in designing programs to work together in this way. The ICB will be looking closely at the requirements of existing and new programs to enable integration of multiple funding sources while avoiding duplicative payments for the same upgrade. The ICB will be working with other state and federal agencies, utilities, community-based organizations, and other entities to ensure program integration that is as seamless as possible. The ICB strongly encourages specific, actionable comments on how best to integrate programs during the public comment phase on this and all funding opportunities. If you are interested in receiving email announcements related to the Climate Bank's activities, including announcements of public comment opportunities, please email [sfa@il-fa.com](mailto:sfa@il-fa.com).