

FOR IMMEDIATE RELEASE
MONDAY, OCTOBER 17, 2022

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Pritzker Administration Announces Launch of a Statewide PACE Program to Spur Commercial Investment in Clean Energy Renovations and New Construction

Chicago, IL – Governor JB Pritzker and the Illinois Finance Authority today announced the launch of a statewide PACE (Property Assessed Clean Energy) program to spur investment in electric vehicle charging stations, energy efficiency, and water conservation, and to stimulate the growth of renewable energy and resilient building design throughout Illinois. The Illinois Finance Authority PACE program, now available to all Illinois counties and municipalities, is designed to reduce costs, improve service delivery, and create uniformity in Illinois' Commercial Property Assessed Clean Energy (C-PACE) financing market.

Under Illinois law, counties, cities, villages, and incorporated towns may create PACE areas at the request of for-profit and non-profit owners of commercial, industrial, and multi-family (of 5 or more units) properties. C-PACE financing can be used by owners and developers of commercial properties to finance or refinance eligible clean energy improvements in connection with the renovation of existing buildings and new construction, in each case up to 25% of the value of the property.

Here in Illinois, we are at the very forefront of the clean energy revolution," said Governor JB Pritzker. "Thanks to the Illinois Finance Authority PACE Program, we are making it easier for communities throughout Illinois to advance our state's clean energy goals like EV adoption and energy storage—all while attracting capital investment. This is exactly the kind of program that will help us achieve our goal of 100% clean energy by 2050."

"We know climate action is needed now, and we all can have a role in paving the way to a greener future in our state. Not only are we committed to transitioning to clean energy, we are also focused on empowering communities statewide to be part of this transformation," said Lt. Governor Juliana Stratton. "The Illinois Finance Authority PACE Program provides a path to invest in improvements that foster much-needed development, bring down energy costs for commercial property owners, and ensure we effectively work together to build a more sustainable state."

On October 11, 2022, the inaugural meeting of the Illinois C-PACE Open Market Initiative, an Illinois not-for-profit corporation and component unit of the Illinois Finance Authority, was held. The nonpartisan, nonpolitical Illinois Finance Authority PACE program approved at the inaugural meeting allows capital providers to not only originate C-PACE financings in a statewide, open market sponsored by IFA's C-PACE Open Market Initiative as an independent, neutral program administrator but also allows capital providers to administer and service PACE Projects for their own account.

While C-PACE financing offers attractive features not available elsewhere and plenty of capital from enthusiastic investors, the use of C-PACE financing in Illinois has been limited to date. "Feedback we received from local government leaders indicated an interest in C-PACE financing,



but not in devoting the time and resources needed to develop and implement a property assessed clean energy program. Changes to State law and the launch of the Illinois Finance Authority PACE Program addresses those concerns which we expect will lead to statewide adoption, all at no cost to each participating county and municipality,” said IFA Vice President Brad Fletcher.

After multiple legislative efforts, in July of 2019, Governor JB Pritzker signed into law a comprehensive technical rewrite of the Illinois PACE Act making it possible for IFA to finance or refinance several PACE Projects located in Chicago, Rosemont, Beardstown, Highland Park, and Skokie totaling \$72,388,222. These PACE Projects will result in estimated annual energy savings of 9,781,288 kWh and conserve approximately 8,615,790 gallons of water each year for the commercial property owners that voluntarily requested C-PACE financing. Additional PACE Projects in Springfield, Quincy, and Freeport are currently under consideration.

“When Governor Pritzker signed into law the Climate and Equitable Jobs Act, he designated the Illinois Finance Authority as Illinois’ Climate Bank. By easing the burden on counties and municipalities, the Illinois Finance Authority PACE program will encourage the renovation and construction of more green energy properties, helping Illinois to achieve its zero-emission goals,” IFA Executive Director Chris Meister.

Counties and municipalities interested in learning more about the Illinois Finance Authority PACE Program are encouraged to visit its website [here](#). Contact Brad Fletcher (bfletcher@il-fa.com) to opt into the Illinois Finance Authority PACE Program for free!

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